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Japan

Baltics Recognition Awaiting Moscow Confirmation

OW0609114591 Tokyo KYODO in English 1134 GMT 6 Sep 91

[Text] Tokyo, Sept. 6 KYODO—Japan may extend diplomatic recognition to the three Baltic states of Estonia, Latvia, and Lithuania within Friday, a top Foreign Ministry source said.

The source said once Tokyo receives official confirmation from Moscow that the Kremlin has granted the independence to the Baltic states, Japan will enter into the necessary procedures for extending recognition.

He said it would not be necessary to wait for an official decree to be issued by Soviet President Mikhail Gorbachev.

The source spoke shortly after Foreign Ministry Spokesman Taizo Watanabe told reporters that the government would not have to wait until next Tuesday's cabinet meeting to decide on recognizing the states' independence.

The State Council, a transitional governing body set up by the Soviet parliament Thursday, including Gorbachev and the leaders of the Soviet republics reportedly passed a resolution on independence for the Baltics.

Another Foreign Ministry source said earlier Friday that even if the Kremlin has not yet decided on granting Baltic independence, Japan is prepared to extend recognition on the basis of a report being compiled by a special government mission visiting the Baltics.

Claim to UN Seat Could Follow Russian Claim

OW0609095191 Tokyo KYODO in English 0908 GMT 6 Sep 91

[Text] Tokyo, Sept. 6 KYODO—Russian assumption of the Soviet Union's permanent seat on the United Nations Security Council in the event of that country's complete disintegration could lead Japan to stake its own claim, a senior Foreign Ministry source said Friday.

"Our claim (for Permanent Security Council membership) has always been there," the source said.

"If there's a revision of the U.N. charter, my personal view is that then that revision should be conducted in an overall manner," he said.

The source was speaking with regard to a senior Soviet Foreign Ministry official's remarks in Tokyo on Wednesday.

Yuri Fedotov, chief of the U.N. Security Council section of the ministry's International Organization Department, said in an interview with KYODO News Service he would not rule out the Russian Federation's taking over the permanent Soviet seat on the 15-member council.

He said the complete disintegration of the Soviet Union "would mean the revision of the U.N. charter because in the charter it is written that the USSR is a member of the United Nations."

Federov said such a situation would likely "open a Pandora's Box," an allusion to the likelihood other countries like Japan that feel they deserve permanent representation would take the opportunity to stake their claims to a council seat.

The five permanent members of the Security Council, who retain that status irrespective of their current global standing, are the major victorious powers of World War II—Britain, China, France, the Soviet Union, and the United States.

The other 10 council seats, which lack the veto power of the so- called "Permanent Five," are rotated among other countries in a manner ensuring that all major regions of the world are represented.

Aside from Japan's low-key quest for a permanent council seat, it wants a revision of the U.N. charter to remove two anachronistic clauses referring implicitly to Japan and other countries vanquished in World War II as "enemy states."

The permanent five, anxious to preserve the status quo, have all expressed sympathy with Japan's desire to see the clauses nullified, but have warned that doing so by a revision of the charter would create a "Pandora's Box" phenomenon.

Fedotov said that if Russia were to take over the Soviet seat, it would be necessary to have a broad consensus that it is "the legitimate successor of the Soviet Union in international affairs."

"This must be accepted by other republics of the Soviet Union and other members of the international community," he added.

Minister To Explain Rice Issue to GATT

OW0609060391 Tokyo KYODO in English 0526 GMT 6 Sep 91

[Text] Tokyo, Sept. 6 KYODO—Minister of Agriculture, Forestry, and Fisheries Motoji Kondo said Friday he will explain again Japan's stance on rice to the director general of the General Agreement on Tariffs and Trade (GATT) during a visit to Europe next week.

Kondo will leave for Europe next Wednesday and will meet with GATT Director General Arthur Dunkel in Geneva next Friday, ministry sources said.

The meeting precedes the resumption on September 16 of stalled farm trade talks, one of the areas of disagreement in the Uruguay Round of world trade talks. Diplomats and trade negotiators are racing against the clock to bring the talks to a successful conclusion by the December 31 deadline.

Concerning the stalemate over trade in farm products, Dunkel is expected to draw up at the end of October a new options paper after conferring with Japan, the United States, and major European nations about points in dispute, ministry sources said.

The GATT director general proposed several technical options on agricultural reform in June to spur progress in the troubled talks, but in vain.

At a press conference after the day's regular cabinet meeting, Kondo said, "It would be unreasonable to complain afterward if the paper did not have consideration for Japan's assertion. So I want to explain beforehand."

US Promise To Keep Military Presence Reported

OW0609103191 Tokyo KYODO in English 0859 GMT 6 Sep 91

[Text] Tokyo, Aug. 6 KYODO [dateline as received]—[Passage indistinct] Bases agreement do not justify removal of a U.S. military presence in Japan or the region generally, U.S. Congressman Stephen Solarz said here Friday.

The chairman of the House of Representatives Subcommittee on Asia-Pacific Affairs told a press briefing at the Japan National Press Club in Tokyo that despite the changes in the Soviet Union, "all military threats to the region, let alone to Japan, have not been eliminated. We will stay as long as our presence is desired."

"I think our continued presence contributes to the stability of the region and to the preservation of peace," he said.

Solarz noted there are still over 10,000 strategic nuclear warheads in "what used to be the Soviet Union."

"The collapse of the center in Moscow and the break-up of the Soviet Union cannot preclude possible civil war as seems to be happening in Yugoslavia," Solarz said. "Inter-republican conflicts can spill over.

"There are also three quarters of a million well-armed, highly trained men north of the 38th parallel in Korea and we cannot preclude the possibility of another war there."

Solarz, a Democrat from New York, said most U.S. Forces based in Japan now have regional missions.

"The United States should apppreciate Japan's willingness to have on its soil U.S. troops who are deterring aggression elsewhere, and that it already provides more host-nation support than any other American ally."

Solarz, who visited the Philippines before coming to Japan, said he could not predict which way the Philippines Senate will vote on a new agreement under which the U.S. will keep Subic Bay Naval Station but abandon Clark Air Base.

The Senate must decide on the agreement by September 16 when the current lease expires.

"It is very close and it could go either way," Solarz said.

"My heart tells me the treaty will be ratified. My head tells me the treaty will be rejected."

Solarz said that, if rejected, the U.S. would have to develop alternative facilities in the region.

"But you can be sure we will not retreat to Pearl Harbor or San Diego," he said. "You can be sure we will be here in the region for a long, long time to come."

Earlier Friday, Democratic Socialist Party Chairman Keigo Ouchi told Solarz that Japan and the United States should maintain their security treaty even if the Soviet Union continues to accelerate drastic military reduction, democratic reform and the development of a market-oriented economy.

Ouchi was replying to a query from Solarz on whether the Japan-U.S. security treaty would still be needed if the Soviet Union drastically cuts its military forces deployed in the East Asia.

"The military emphasis in the treaty will dwindle," Ouchi told Solarz. "But it is vital for Japan and the United States to continue with the treaty when you consider the close economic and other relations between the two countries and the stability of security in Asia."

But Ouchi said that if Moscow drastically reduces its forces in the Far East, the U.S. should continue to station a minimum number of its forces in Japan.

Kobe Steel Denies Joint Venture With Alcoa

OW0609041091 Tokyo KYODO in English 0207 GMT 6 Sep 91

[Text] Tokyo, Sept. 6 KYODO—Kobe Steel Ltd. denied Friday a newspaper report that it plans to set up a joint venture with Aluminum Co. of America (Alcoa) for the manufacture of magnetized aluminum disks.

A Kobe Steel spokesman said the report, in the business daily NIKKAN KOGYO SHIMBUM, was inaccurate and contrary to the facts.

"We are even not talking about it at all," the spokesman said.

The business daily said Kobe Steel and Alcoa will shortly sign a joint-venture agreement and start construction of a U.S. plant to produce magnetized aluminum disks which can be used as a memory device in computers.

Kobe Steel and Alcoa signed a broad-ranging cooperation agreement on the aluminum business last September and launched a joint venture in Japan in January this year to produce and sell material for aluminum cans.

Assistance to Mongolian Mines To Increase

OW0509142091 Tokyo KYODO in English 1245 GMT 5 Sep 91

[Text] Tokyo, Sept. 5 KYODO—The Agency of Natural Resources and Energy is planning to intensify its assistance to Mongolia's mine development projects as part of on-going support for that country's political and economic reforms, an agency official said Thursday.

Japan already launched a three-year mine prospecting project last spring aimed at helping Mongolia earn foreign currency for its future industrial development, according to the official at the agency's mining division.

Under the initial plan, Japan is helping Mongolia search for mineral deposits in a broad area that spreads approximately 50,000 square kilometers southeast of Ulaanbaator.

Now the agency is considering launching an additional special research project within the area, the official said.

The area, called Ulan-Zuwab [name as received], is located around Choybalsan, along the Trans-Siberian Railway.

The Mongolian Government has already finished basic research with the Soviet Union, and has confirmed that mineral reserves like steel, zinc and silver may exist in the area, the official said.

For the special project, the agency is asking for a 500 million yen budget over the next five years, said the official.

Of the total the agency is asking for, 95 million yen has already been requested from the Finance Ministry as part of the agency's budget for next fiscal year, he added.

If the research and feasibility studies prove the area would be a sucessful mining area, the agency will seek Japanese private sector companies to help organize joint development ventures with the Mongolian side.

The official also said the project will help secure a more stable supply of natural resources for Japan.

Australia-Taiwan Airlink To Receive Approval

OW0609073991 Tokyo KYODO in English 0709 GMT 6 Sep 91

[Text] Sydney, Sept. 6 KYODO—A direct airlink between Australia and Taiwan is one step nearer to reality following the signing of technical agreements, Australian Foreign Affairs and Trade Minister Gareth Evans has said.

Evans told parliament Thursday that he hopes to issue a statement within the next two weeks confirming a start date for the airlink flights.

Evans said an agreement on the number and destination of flights was signed during a meeting Wednesday in Taipei.

He said the airlines now must submit applications to local aviation authorities asking for operating approval. The application is the last stage in the process setting up airlinks.

Due to Australia's "One-China" policy, and its nonrecognition of Taiwan, the negotiations have been conducted on a commercial rather than government level.

The proposed Australian service would be operated through Australian Asia Airlines, a subsidiary of the national carrier Qantas.

Evans denied that a proposed disclaimer to be included on visas for Taiwanese visitors had halted the progress of the negotiations.

The disclaimer states that, "the Australian Government does not accord the holder of this visa any official or any other status as a representative of a regime not recognized by the Australian Government."

Evans said the disclaimer was originally proposed as a means of clarifying Australia's policy regarding China, but said he has now called for a review of the need for the disclaimer.

Miyazawa Decides To Run for LDP President

OW0609072591 Tokyo KYODO in English 0625 GMT 6 Sep 91

[Text] Tokyo, Sept. 6 KYODO—Former Finance Minister Kiichi Miyazawa indicated on Friday that he will run for the election in October of the presidency of Japan's ruling Liberal Democratic Party (LDP), which carres with it the post of prime minister.

Miyazawa is the first among senior LDP politicians to express his intention to run in the race.

Prime Minister Toshiki Kaifu, whose two-year term of office as LDP president is due to run out on October 30, has not yet said whether he will seek reelection.

Miyazawa, releasing a statement on his political views, said he wants to put the experience gained in his career as a conservative politician to the best use at a time when Japan is at its greatest turning point since World War II.

Further on Miyazawa Candidacy

OW0609092791 Tokyo KYODO in English 0840 GMT 6 Sep 91

[Text] Tokyo, Sept. 6 KYODO—Former finance minister Kiichi Miyazawa Friday indicated he will join the race this fall for president of the ruling Liberal Democratic Party (LDP), saying he hopes to help forge a new international role for Japan as the world faces momentous change.

Miyazawa is the first LDP politician to reveal plans to seek the presidency of the ruling party, which carries with it the prime ministership because of the party's majority in the powerful house of representatives.

Addressing a gathering of the faction supporting him, Miyazawa, 71, underlined that he hopes his international experience stretching back to the days soon after World War II will help him lead Japan as the world enters an transitional era.

Kunikichi Saito, a senior faction official, said that Miyazawa will formally announce his candidacy later.

Prime Minister Toshiki Kaifu's two-year term as LDP president ends October 30. Kaifu has not yet said whether he will seek reelection.

This will be the second LDP presidency race for Miyazawa, leader of the LDP's third largest faction.

In 1987 he and the late foreign minister Shintaro Abe lost to Noboru Takeshita in a three-way race.

Miyazawa and other senior LDP politicians refrained from seeking the nation's top political post after Takeshita resigned over the Recruit scandal in the summer of 1989 because of their association with Recruit Co., an information and real estate conglomerate.

In a brief policy speech, Miyazawa apologized again for stirring public distrust in 1989 by failing to reveal the extent of his involvement in the Recruit stocks-for-favors scam.

Miyazawa resigned from his post as deputy prime minister and finance minister in December 1989, six months after the scandal surfaced, after making contradictory remarks about his secretary's purchase of 10,000 Recruit Cosmos shares, which were later sold for a profit of 22.7 million yen.

Earlier Friday, Miyazawa talked with former U.S. secretary of state Henry Kissinger about the turbulent events in the Soviet Union, and developments in the Asia-Pacific region, underlining his ease in international politics.

The two became friends in the early 1970s when Miyazawa was serving as foreign minister, and Kissinger was secretary of state. Kissinger was visiting Japan this week.

During the discussion Miyazawa, a fluent English speaker, sketched his views on a three-point assistance program for the Soviet Union, involving international cooperation on long-term financial assistance, emergency aid, and technical assistance in energy development and transforming the Soviet military complex to civilian production.

Later, in remarks in Japanese, Miyazawa voiced concern over the growing gap between the "haves and have nots" cracking open in the wake of the late 1980s run-up on real estate prices.

Miyazawa, as a young Finance Ministry bureaucrat right after the war, helped introduce policies to iron out the economic inequalities that remained from Japan's feudal past.

He entered politics in 1953 when he was elected to the House of Councillors, and subsequently served twice as chief of the Economic Planning Agency in 1962, and 1966, while the nation was in a period of rapid economic growth.

Miyazawa also stressed the importance of political reform—an issue that has dominated Kaifu's two years in office.

But he said it was the need to work out a long-term view of Japan's role in the international community that compelled him to seek a leadership role as the world faces an uncertain period.

Miyazawa is one of the more internationally oriented senior politicians, a point that has cost him popularity among members of other LDP factions, who charge him with being elitist and aloof.

The party will hold an election if two or more members announce their candidacies. Michio Watanabe, another former finance minister and leader of the Watanabe faction in the party, is expected to be a candidate in the election.

Home Affairs Minister Sorry for Tax Wrongdoing

OW0609051191 Tokyo NHK General Television Network in Japanese 0300 GMT 4 Sep 91

[Text] Home Affairs Minister Akira Fukida, who served as the director of a business company until becoming a member of the cabinet, met the press today to apologize for making the company pay his private secretaries' salaries. The misconduct was made public when the Tokyo Regional Taxation Bureau imposed a penalty of 24 million yen [Y] and back taxes on the company for false tax reports.

Fukida and his wife used to serve as directors of Koei Bussan, a Tokyo-based petroleum wholesaler, but both left the company payroll when Fukida was inducted as the home affairs minister last December. However, the Tokyo Regional Taxation Bureau found that Koei Bussan had evaded taxes on about Y62 million for three years until June 1990, reporting salaries for six private secretaries of Fukida as business expenses. As the result, the company was imposed a Y24-million penalty and back taxes for making false returns of its corporate taxes.

Commenting on the issue at today's news conference, Fukida apologized as follows: The point indicated by taxation authorities was not discovered to be illegal during last year's tax investigations, but they said this time that it cannot be claimed as business expenses. As the home affairs minister with responsibility for promoting political reforms, I am extremely sorry and would like to express my regret for these events.

Fukida added that he felt politicians should disclose their financial resources so as not to breed distrust among the public.

Panel To Propose Scandal Prevention Measures

OW0609072991 Tokyo KYODO in English 0651 GMT 6 Sep 91

[Text] Nagoya, Sept. 6 KYODO—A government advisory panel will submit a proposal next week to prevent a recurrence of the recent stock and financial scandals, the head of the panel said Friday.

Speaking at a lecture session in Nagoya, Eiji Suzuki, the head of the ad hoc commission for the promotion of administrative reform, said the proposal would include a call for creation of a watchdog body over brokerage houses and financial institutions.

Suzuki, former president of the Japan Federation of Employers' Associations (Nikkeiren), pointed to the need to tackle the issue as soon as possible because if nothing is done against the scandals, Japan's economy will be adversely affected and its international credibility lost.

It is most important for the securities and financial institutions to strengthen the functions of self-restraint, he said.

The commission is scheduled to compile its proposal in extensive discussions on Monday and Tuesday and submit the report to Prime Minister Toshiki Kaifu on Thursday.

In the wake of the scandals in the securities industry, Kaifu called on the panel in July to propose medium-and long-range measures to prevent similar scandals.

Japan's securities houses are under fire for compensating favored clients to help cover their investment losses. A total of 634 organizations and 75 individuals are known to have received reimbursements of 172.89 billion yen between October 1987 and March 1990 from 21 major and smaller brokerages.

Fuji Bank, Sumitomo Bank, and the Industrial Bank of Japan were also revealed to be involved in massive loan frauds.

Ministry Considering Using Law Against Brokers

OW0609043191 Tokyo KYODO in English 0342 GMT 6 Sep 91

[Text] Tokyo, Sept. 6 KYODO—A senior official of the Finance Ministry told the Diet on Friday that the ministry is seriously considering invoking the Securities and Exchange Law against brokerage houses suspected of stock price manipulation.

Nobuhiko Matsuno, director general of the ministry's Securities Bureau, made the remark at a meeting of the House of Councilors Special Committee investigating the recent series of financial scandals.

"A serious study is under way on whether Article 125 of the Securities and Exchange Law (banning stock price manipulation) can be invoked," he said, in response to a question about massive trading in stock of Tokyu Corp., a major private railway company in Tokyo, by the late boss of a gangster organization.

Matsuno's remarks reversed the ministry's earlier stand that it would be difficult to apply Article 125 to the case on the grounds that the Tokyu stock was purchased by many other investors.

Data released by the Finance Ministry on Wednesday showed that Susumu Ishii, the former boss of the powerful Inagawa-kai underworld syndicate who died Tuesday, purchased about 24.4 million shares of Tokyu through two major brokerages between April and August 1989.

Nomura Securities Co., the world's largest brokerage house, was alleged to have actively traded in the Tokyu stock from October to November 1989, driving its price up sharply.

Matsuno said the Tokyu stock was purchased by many investors and a thorough investigation is required to invoke the article banning stock price manipulation.

Matsuno also said the ministry will reinvestigate suspected manipulation of the stock price of major paper manufacturer Honshu Paper Co., in which Ishii was also involved, if new facts surface.

An investigation conducted with the cooperation of the Tokyo Stock Exchange failed to produce evidence of manipulation, Matsuno said.

The probe was made after the Honshu Paper stock price soared between November 1989 and August 1990 in heavy trading, he said.

Fuji Bank Head To Take Measures on Scandal

OW0509142591 Tokyo KYODO in English 1248 GMT 5 Sep 91

[Text] Tokyo, Sept. 5 KYODO—The President of Fuji Bank said in the Diet on Thursday he intends to take responsibility for a 260 billion yen forgery scheme involving some former employees of the bank.

Toru Hashimoto, testifying as an unsworn witness at a House of Councillors panel, said he will "take measures of (settling) management responsibility (for the scandal) when the entire picture of the affair is clarified."

He also said Fuji will never again make loans through nonbanks.

The forgery scandal at Fuji came to light in July, when the bank dismissed four managers at three of its branch offices in central Tokyo for creating records for nonexistent deposits to help 23 companies obtain huge amount of loans from nonbanks.

The companies, many of which were engaged in land speculations, got 260 billion yen in loans from 14 nonbanks using the fake certificates of deposits.

Testifying after Fuji's Hashimoto at the committee, Sumitomo Bank President Sotoo Tatsumi said his bank still has 1.2 billion yen in loans outstanding to Mitsuhiro Kotani, a stock speculator indicted for alleged illegal stock market activities.

Tatsumi, in admitting the existence of the loans to the former leader of Koshin K.K., a group of stock speculators, reversed an earlier Diet testimony.

He said during a hearing at the House of Representatives committee last week Sumitomo no longer has outstanding loans to Kotani.

Tatsumi's admission came in response to questioning by Tatsuo Yoshida, a Democratic Socialist Party member of the upper house.

Last year, Sumitomo's chairman and two mid-level officials resigned after it was disclosed Sumitomo had provided financing to Kotani.

On March 1, Kotani was arrested, for the second time in the past year, on charges of blackmailing Janome Sewing Machine Co. out of 29.7 billion yen in August 1989.

Kotani reportedly warned Janome that unless it lent him the money, he would transfer all his shares—by then numbering 50 million, or 30 percent of the equity stake in Janome—to companies affiliated with gangsters.

The third witness on the day, Yo Kurosawa, president of the Industrial Bank of Japan (IBJ), said he regrets his bank's close ties with an Osaka restaurateur, who was arrested for gaining bank loans using fake certificates of deposit as collateral.

Kurosawa conceded the bank's handling of loans to Nui Onoue was sloppy, for which he apologized.

In a scheme similar to Fuji's scandal, Onoue conspired with a branch manager at a small local bank to obtain some 40 billion yen in loans from IBJ, and several times more from other financial institutions.

The testimonies of the three heads of leading banks concluded the series of questioning of witnesses at the ad hoc committee session on financial scandals.

The House of Councillors panel summoned the former and interim heads of the "Big Four" securities companies Wednesday over the recent stock scandals, including payments of compensation to favored clients for investment losses.

The House of Representatives conducted similar two-day hearings last week.

At the Thursday hearing, Sumitomo's Tatsumi said his bank's problematic ties with Itoman and Co., an ailing trading and real estate company, was a product of its cult of profit seeking.

He said his bank had been so preoccupied with pursuing profits that its checking function became weakened.

Sumitomo was a main bank to Itoman, which is in serious financial troubles as a result of speculative purchases of real estate and art.

When asked why Sumitomo was unable to stop Itoman's wanton operations, Tatsumi said it asked Yoshihiko Kawamura, former Itoman president, to fire Suemitsu Ito, former executive director, who was behind many of Itoman's dubious transactions, and to cease real estate trading, but the requests fell on deaf ears.

Concerning the implication of a relative of Ichiro Isoda, former Sumitomo chairman, in Itoman's shady art deals, Tatsumi said it is not commendable a company owned by the relative earned unjust profits.

Finance Minister Says No Discount Rate Cut

OW0609040191 Tokyo KYODO in English 0312 GMT 6 Sep 91

[Text] Tokyo, Sept. 6 KYODO—Finance Minister Ryutaro Hashimoto on Friday discounted the possibility of the Bank of Japan carrying out another cut in the official discount rate soon.

"Such a step is not foreseeable at present," he told reporters after Friday's cabinet session.

The Bank of Japan lowered the key interest rate by 0.5 percentage point to 5.5 percent per annum on July 1, easing its grip on credit for the first time in more than four years.

Hashimoto said he understands that the central bank currently is guiding short-term interest rates lower, indicating he approved of this policy.

He said it would be better for the Finance Ministry to compile the Fiscal 1992 budget after determining estimated tax revenue for the new fiscal year.

He made the remark in response to a call for the government to speed up the compilation of the budget.

Bank of Japan Survey Shows Slower Economy

OW0609075591 Tokyo KYODO in English 0741 GMT 6 Sep 91

[Text] Tokyo, Sept. 6 KYODO—The Japanese economy is evidently slowing down, but with no sharp economic plunge in the making, the Bank of Japan [BOJ] said Friday in its quarterly survey of business sentiment.

The survey of 7,447 companies, including 690 leading firms, was conducted in August, and provides no signals that the slowdown of the Japanese economy is getting any faster, a BOJ official said.

"I don't think the economy will return to an upward path during the latter half of this year, but I also do not think the pace of the slowdown is quickening," the BOJ official said.

The business condition index is measured by the percentage difference between companies with a pessimistic view and those with an optimistic opinion about business conditions.

The index for major manufacturing companies was listed at 27 in the latest August survey, down from 36 recorded in May.

In the May survey, companies had estimated the August index would reach 30.

Briefing reporters, the BOJ official said the 9-point decline in the business conditions index may be traced to sluggish production in the manufacturing sector during the first half of the year caused by soft housing and auto sales.

The confidence survey also showed major companies are planning to invest in plants and facilities 7.9 percent more during the current fiscal year than they did during the previous year.

The figure was revised upward by 0.8 percentage point from the 7.1 percent growth predicted in the May survey.

The BOJ official pointed to the survey result concerning corporate capital spending as an important indicator that the economy is still on a firm footing.

The central bank says the most recent survey shows some easing in corporate perception regarding the tightness of the labor and commodity markets.

But the official was quick to add there is no evidence showing the labor shortage is fading.

The percentage of companies saying goods prices would rise, minus the percentage of those who foresee a fall, dropped to minus 8 percent from minus 2 percent in the previous survey.

While admitting that wholesale prices are under control, the official said the more important consumer prices are still showing an upward trend.

The survey forecast a drop in corporate liquidity to equal to 1.58 months sales at the end of September from 1.69 at the end of June.

The falling corporate liquidity—the total of cash, deposits, and short-term securities held by companies—is widely expected to put a squeeze on capital spending in coming months.

Business managers' outlook on rising input prices dropped to minus 2 from 9.

The labor market index, which showed companies continue to worry about the tight labor market, eased to minus 38 from minus 40 in May.

Major manufacturers' corporate sales are projected to rise 3.8 percent in fiscal 1991, down from 9.6 percent growth in fiscal 1990.

The survey shows that corporate pretax profits are expected to slide in the current fiscal year for the second consecutive year.

For the August survey, overall pretax profits for major manufacturers were revised downward 0.8 percentage point to minus 2.3 percent.

Bank of Japan To Keep Cautious Monetary Policy

OW0609101891 Tokyo KYODO in English 0843 GMT 6 Sep 91

[Text] Tokyo, Sept. 6 KYODO—The Bank of Japan (BOJ) will continue implementing a cautious monetary policy with an emphasis on price stability, the central bank's senior deputy governor said Friday.

Hiroshi Yoshimoto made the statement during a speech to a convention of the Marine and Fire Insurance Association of Japan on behalf of BOJ Governor Yasushi Mieno.

Commenting on the BOJ's "Tankan" quarterly survey of business sentiment released earlier Friday, Yoshimoto said optimism about price trends is not warranted in light of the continuing labor shortage.

He said there has been some improvement in corporate perception regarding the labor and commodity markets, but he added that the labor shortage remains a serious problem.

Yoshimoto also said business confidence remains generally high among companies of all sizes.

He noted the BOJ survey showed both manufacturing and nonmanufacturing companies are intent on increasing capital spending.

Bank To Extend Loans for Boeing 777 Development

OW0609030691 Tokyo KYODO in English 0201 GMT 6 Sep 91

[Text] Tokyo, Sept. 6 KYODO—The governmental Japan Development Bank (JDB) has decided to extend more loans to a Japanese consortium taking part in the development of the Boeing Co.'s new 777 jet, a bank spokesman said Friday.

The JDB has already extended 1.5 billion yen in loans and is willing to provide more financing to the consortium, made up of Mitsubishi Heavy Industries Ltd., Kawasaki Heavy Industries Ltd., and Fuji Heavy Industries Ltd., the spokesman said.

Boeing is developing the 777, a 360-seat wide-bodied jetliner, in conjunction with the Japanese consortium. Boeing already has received 137 firm orders or options on the 777.

The total cost of the project is estimated at some 500 billion yen, of which some 85 billion yen is eligible for financing by the JDB, the spokesman said.

The JDB has yet to decide on the total amount of loans to the Japanese consortium, but will offer "as much support as possible," the spokesman said.

Under an agreement with Boeing, the three Japanese firms are to undertake a 21 percent portion of the project, excluding the development of engines.

North Korea

Cheney Remarks on Troop Presence Criticized

SK0609060191 Pyongyang KCNA in English 0458 GMT 6 Sep 91

["Far-Fetched Argument of Occupationist"—KCNA headline]

[Text] Pyongyang September 6 (KCNA)—U.S. Defence Secretary Cheney blared some time ago that if the U.S. troops are withdrawn from South Korea all at once, it will create "a vacuum of strength" and "instability in the security situation" in this region.

Dismissing his remarks as a far-fetched argument of an occupationist not to withdraw aggression troops from South Korea, a NODONG SINMUN analyst today says:

The U.S. imperialists who are dreaming of world supremacy occupied South Korea with a view to controlling the Korean peninsula, a vantage in Asia, and satisfy their desire to dominate Asia. The U.S. imperialists' occupation of South Korea caused the division of Korea and converted South Korea into a hotbed of a new war, posing a constant threat to peace on the Korean peninsula and in Asia. Nevertheless, the U.S. imperialists, in an attempt to justify their occupation of South Korea, are vociferating about "vacuum" and so on. This is a mockery of public opinion and a shameless and brigandish rigmarole reminding us of a thief crying "stop a thief".

His argument about the creation of "instability in the security situation" by the withdrawal of the U.S. troops from South Korea is nonsensical.

Dark clouds of war are hanging over Korea owing to the U.S. troops and more than 1,000 pieces of nuclear weapons deployed by the U.S. imperialists in South Korea. Worse still, the war gambles including the "Team Spirit" staged by them against us are the very factor of increasing the danger of a nuclear war on the Korean peninsula.

The "unstable security situation" has been created on the Korean peninsula because the U.S. troops are staying there, constantly threatening peace.

An immediate end must be put to the occupation of South Korea by the U.S. troops, the root cause of threat to peace in Korea and obstruction to its peaceful reunification.

Allied Military Exercises for 3, 4 Sep Viewed

SK0609071691 Pyongyang KCNA in English 0434 GMT 6 Sep 91

[Text] Pyongyang September 6 (KCNA)—The U.S. Pacific Air Force Command staged provocative joint aerial military exercises with the Korean peninsula as the operational theatre on September 3 and 4, according to military sources.

The exercise which was staged in the sky above Oeyondo and Anmyondo was a war game to increase the capacity of Pacific-based fighter-bombers and assault planes to fly away after making a surprise attack on the strategic targets in the inland area of the northern half of Korea in coordination with formations of fighter-bombers of the U.S. 7th Air Force by entering into the operational zone of South Korea.

Mobilized there were F-16 fighter-bombers flown from Japan proper and Pacific bases and some 80 fighter-bombers of the U.S. Air Force present in South Korea.

Meanwhile, the South Korean puppets Wednesday staged aerial attack operations and ground strike exercises in the skies above Kunwi, Yechon, Chonju and Onsan as part of adventurous "Ulchi 91" war exercise. F-4, F-5, and F-16 fighter-bombers of the puppet airforce, 120 in all, were mobilized there.

A total of over 1,000 military planes took part in the war exercises in the air above South Korea Tuesday and Wednesday.

On September 2 and 3 the South Korean puppets staged war exercises getting on our nerve, while firing shells in the area of the Military Demarcation Line and driving out puppet army into attack operations.

South's Ulchi '91 Exercise Condemned

SK0609060391 Pyongyang KCNA in English
0439 GMT 6 Sep 91

[Text] Pyongyang September 6 (KCNA)—Never to be condoned are the treacheries of the South Korean authorities who are dreaming of realizing "unification by prevailing over communism" with the armed forces in collusion with the U.S. imperialist aggression troops, while desperately opposing the peaceful reunification of the country which the entire fellow countrymen want, says NODONG SINMUN in a commentary today.

Pointing to the fact that the South Korean authorities staged war exercises codenamed "Ulji 91" for four days from September 2, kicking up dust against the North, the news analyst of the paper continues:

The No Tae-u group claim that it needs war exercises because it is "threatened". But this is nothing but a shameless sophism of warmaniacs.

The exercise to cope with a war time staged in South Korea under the name of "Ulji 91" reveals the reckless attempt of the U.S. imperialists and puppets to invade the North.

They are waxing eloquent about the "end of the era of cold war" and "advent of an era of peace", but their acts are contrary to their words.

Some time ago, the U.S. imperialists and the South Korean authorities concluded a "wartime host nation support agreement" which can be signed only on the eve of a war. This proves that they are accelerating preparations for a war intending to start it on the Korean peninsula.

The South Korean authorities are trying to bring terrible disasters of war to the Korean peninsula, following the war policy of the United States.

They drove even civilians into the war exercises against us. This is aimed at further aggravating North-South relations and diverting elsewhere the attention of the people and thus lulling their growing desire for reunification.

Warmaniacs will get only destruction in the war exercises.

Meeting Marks Sinking of U.S. 'Pirate Ship'

SK0209111791 Pyongyang KCNA in English
1020 GMT 2 Sep 91

["Pyongyang Meeting To Mark 125th Anniversary of Sinking of U.S. Pirate Ship 'General Sherman'"—KCNA headline]

[Text] Pyongyang September 2 (KCNA)—A Pyongyang meeting was held today at the Central Youth Hall to mark the 125th anniversary of the sinking of "General Sherman", a pirate ship of the United States.

The U.S. aggressors let the pirate ship "General Sherman" illegally infiltrate into the Pyongyang area along the River Taedong in August 1866 to commit espionage, pillage and murder.

Under the guidance of Kim Ung-u, the great-grandfather of the great leader President Kim Il-song, the people and soldiers of the Pyongyang wall sent the pirate ship to the bottom of the river by "fire-attack tactics" on September 2 that year.

Yu Ho-chun, director of the secretariat of the C.C., the Democratic Front for the Reunification of the Fatherland, made a report at the meeting.

The sinking of the "General Sherman" was a deserved punishment meted out by the Korean people to the U.S. aggressors and their first victory in the struggle against the aggression of foreign imperialists, he stressed, adding:

It also gave the precious experience that any imperialist aggression forces can be defeated when the Korean people struggle in unity.

Far from drawing lessons from the infiltration of "General Sherman", the U.S. imperialists have continued aggression and plunder against Korea. All facts clearly show that they are the sworn enemy of the Korean people, who has committed all crimes as the most hideous aggressor, brigandish plunderer from a century ago.

The U.S. imperialists' 40 odd years of colonial rule over South Korea in their history of aggression on Korea is crowded with their most barbarous and despicable crimes.

Today South Korea has turned into the biggest nuclear base, aggressive military base in the Far East, in which more than 1,000 pieces of nuclear weapons have been deployed, owing to the schemes of the U.S. imperialists.

The U.S. imperialists are now crying over non-existent "nuclear facilities" of our Republic and insisting on an "inspection" of them. In so doing, they seek to cover up the dangerous nature of their nuclear weapons deployed in South Korea, justify their policy of nuclear blackmail and find a pretext to provoke a nuclear war on the Korean peninsula. It is a foolish act which will not go down with any one.

The U.S. demand for a unilateral "nuclear inspection" of our Republic is a high-handed act of big-power chauvinism to impose its will upon others from the position of strength and a criminal scheme to invent a pretext to unleash another war of aggression in the Korean peninsula according to its nuclear war plan.

The United States should unconditionally and immediately withdraw its aggression forces and nuclear and all other lethal weapons from South Korea.

The United States should respond, without delay, to our proposal to hold DPRK-U.S. talks for replacing the

Korean armistice agreement with a peace agreement and show an affirmative attitute toward the adoption of a North-South nonaggression declaration as well.

The meeting was participated in by Yun Ki-pok, secretary of the Central Committee of the Workers' Party of Korea and vice-chairman of the Committee for the Peaceful Reunification of the Fatherland, and other officials concerned.

Officials Greet New USSR Counterparts

Foreign Minister's Message

SK0609102291 Pyongyang KCNA in English 1016 GMT 6 Sep 91

[Text] Pyongyang September 6 (KCNA)—Foreign Minister Kim Yong-nam of the Democratic People's Republic of Korea Thursday sent a message of greetings to B.D. Pankin upon his appointment as foreign minister of the USSR.

The message hopes that things will go well in the Soviet Union and wishes the Soviet foreign minister success in his work.

Defense Minister's Greetings

SK0609102791 Pyongyang KCNA in English 1017 GMT 6 Sep 91

[Text] Pyongyang September 6 (KCNA)—Vice Marshal of the Korean People's Army O Chin-u, minister of People's Armed Forces of the Democratic People's Republic of Korea, on August 30 sent a message of greetings to Air Marshal E.I. Shaposhnikov upon his appointment as minister of defence of the USSR.

The message expresses the conviction that the traditional relationship of friendship and cooperation between the armies of the two countries will grow in strength and develop in future, and wishes the Soviet minister of defence success in his work for increasing defence capabilities.

Soviet Communist Youth League To Give Up Power

SK0509154291 Pyongyang KCNA in English 1516 GMT 5 Sep 91

["Soviet Youth League Declares End to Its Political Mission. U.S. Expresses Its Willingness To Establish Diplomatic Relations With Baltic States"—KCNA headline]

[Text] Pyongyang September 5 (KCNA)—Vladimir Diukin, first secretary of the Central Committee of the All Union Lenin Communist Youth League of the Soviet Union, at a plenary session of the league's central committee which opened in Moscow on September 4 stated that All Union Lenin Communist Youth League of the Soviet Union said its political mission as an umbrella organisation of the youth organsations in the republics and other youth organisations has ended and its central committee has given up all its power, according to a TASS report.

The Central Committee decided to hold an extraordinary congress of the Youth League on September 27, TASS said, adding that the question concerning the destiny of the Youth League will be submitted to the examination of the congress and the projected congress is likely to be the last one of the Youth League.

In the meantime, U.S. President Bush at a press conference held in Kennebunkport on September 2 said that the United States that has always advocated the independence of the Baltic states has a willingness to establish soon diplomatic relations with the governments of these states.

Japan Urged To Apologize for Past Wrongs

SK0609060691 Pyongyang KCNA in English 0424 GMT 6 Sep 91

[Text] Tokyo September 4 (KNS-KCNA)—A meeting for thinking of Japan-DPRK negotiations was held here on August 29 under the sponsorship of the people's signature campaign for apology and liquidation of the wrongs during the past colonial domination over Korea and new relationship between Japan and the DPRK.

The meeting was held to let broad segments of the Japanese people know the content of the request that the Japanese Government step up the talks for the normalisation of Japan-DPRK diplomatic relations as part of the efforts to achieve reconciliation with the Korean nation, which participants in the signature campaign presented to Noboru Nakahira, delegate of the Japanese Government to the DPRK-Japan talks on July 24.

Haruki Wada, professor of Tokyo University, in his report at the meeting said that only when Japan makes a proper apology for the past history can genuine relationship of friendship between Japan and the DPRK be established.

Such apology must say that Japan compensates for the sufferings of the Korean nation during the past period and, particularly, it is an important matter to reflect it in education of history in Japan, he stressed.

Then followed speeches.

Scholars Issue Statement on Annexation by Japan

SK0609060491 Pyongyang KCNA in English 0431 GMT 6 Sep 91

[Text] Tokyo September 4 (KNS-KCNA)—The "Korea-Japan Annexation Treaty" was forced by arms from the current point of view and nothing can justify the colonial domination over Korea.

Korean and Japanese historians said this in a joint statement issued on August 29 pointing to the injustice of the colonial domination of Japan over Korea.

Prof. Shoji Takasaki at Tsudajuku University, one of the publishers of the statement on the Japanese side, told the reporters that there should be a correct understanding of past historical fact between the two countries to establish new Japan-Korea relations.

The "Korea-Japan Annexation Treaty" which was published on August 29, 1910, was presented in the form of "treaty" as one "signed from the position of complete free will and equality". But, as a matter of fact, it was forced by blackmail against the background of the armed forces of Japan.

Noting that the Korean people turned out in various forms of anti-Japanese struggle in protest against the actions of Japan, the statement said that this struggle continued till Japanese imperialism was defeated on August 15, 1945.

This proves that "annexation" of Korea was forced upon her against the will of the nation, it said.

Korean Residents in Japan Visiting Group Arrives

SK0309110591 Pyongyang KCNA in English 1014 GMT 3 Sep 91

[Text] Pyongyang September 3 (KCNA)—A congratulatory group of Koreans in Japan led by Yi Mal-sang, vice-chairman of the Central Standing Committee of the General Association of Korean Residents in Japan, arrived here today to celebrate the 43rd anniversary of the founding of the Democratic People's Republic of Korea.

It was met at the airport by Yun Ki-pok and Kim Chu-ho, minister for the reception of overseas compatriots.

Trade Union Official Leads Delegation to Japan

SK0409071791 Pyongyang KCNA in English 0442 GMT 4 Sep 91

[Text] Pyongyang September 4 (KCNA)—A Korean trade union delegation headed by Kim Kuk-sam, vice-chairman of the Central Committee of the General Federation of Trade Unions of Korea, left here Tuesday for a visit to Japan.

Meanwhile, a delegation of young traders and industrialists of the General Association of Korean Residents in Japan (Chongnyon) headed by Mun Hong-son, director of the Samyong Industrial Company, Ltd., and a home-visiting group of Koreans in the United States arrived here on the same day.

Japanese Prefecture Forms Group To Foster Ties

SK0509044691 Pyongyang KCNA in English 0412 GMT 5 Sep 91

[Text] Tokyo September 3 (KNS-KCNA)—An Aichi Prefectural people's council for the promotion of normalisation of Japan-DPRK diplomatic relations was formed on August 26.

Speaking at the inaugural meeting, Chuji Kuno, ex-chairman of the Dietmen's League for the Promotion of Japan-Korea Friendship, said that reunification of Korea will be conducive to peace in Japan and the rest of Asia.

Saying that negotiations for the normalisation of Japan-DPRK diplomatic relations should be held on the basis of liquidation of the past colonial rule, he called for strenuous efforts to strengthen friendship between the Japanese and Korean peoples.

Japanese public figures made speeches.

Chuji Kuno was elected chairman of the prefectural people's council.

A declaration demanding an early normalisation of Japan-DPRK diplomatic relations was adopted at the meeting.

Castro Sends Greetings to Kim Il-song

SK0609060891 Pyongyang KCNA in English 0419 GMT 6 Sep 91

[Text] Pyongyang September 6 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, received a message of greetings from Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba and president of the Council of State and president of the Council of Ministers of the Republic of Cuba, on the occasion of the 43rd anniversary of the founding of the Democratic People's Republic of Korea.

The message reads:

Over the past 43 years the Democratic People's Republic of Korea has triumphantly advanced through many hard tests and grown in strength while making efforts to hit higher targets of socialist construction.

The strenuous efforts of you and your people to safeguard the gains of revolution and adhere to the principle of socialism show the potentials to carry out the grand economic tasks for the well-being and happiness of your people in the future.

Availing myself of this opportunity, I reaffirm our invariable, firm support to the proposals of the DPRK for peace and the relaxation of tensions in Korea and particularly, the latest proposals put forward by you to hasten the independent, peaceful reunification of the country.

I am pleased to share the joy with you on the founding anniversary of your Republic and express the belief that the friendly and cooperative relations which unite our two parties, governments and peoples will continue to expand and strengthen in new spheres in the interests of the two peoples in the future, too.

Thanks for Birthday Greetings

SK3108121191 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 28 Aug 91

[Text] The great leader Comrade Kim Il-song, general secretary of the Workers' Party of Korea [WPK] Central Committee and president of the DPRK, received a message from Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba and president of the Council of State and Council of Ministers of the Republic of Cuba, in reply to his message of greetings to him on his 65th birthday.

The message reads: Pyongyang, Comrade Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK: I express my deep gratitude to you for your sending me a fraternal message of greetings as a token of solidarity on my 65th birthday. I take this opportunity to reconfirm to you my will to continuously maintain close fraternal relations formed between the peoples of our two countries based on the noble ideals of socialism.

Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba and president of the Council of State and Council of Ministers of the Republic of Cuba, 23 August 1991, Havana.

Kim Il-song Greets Libyan Leader on Anniversary

SK3108104291 Pyongyang KCNA in English 1016 GMT 31 Aug 91

[Text] Pyongyang August 31 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea today sent a message of greetings to Mu'ammar al-Qadhdhafi, leader of the Great September First Revolution of the Great Socialist People's Libyan Arab Jamahiriyah, on the occasion of the 22nd anniversary of the Great September First Revolution in Libya.

Expressing firm solidarity with Mu'ammar al-Qadhdhafi and the Libyan people in the struggle to frustrate the intervention and aggressive manoeuvres of the imperialists and build an independent, prosperous new society, President Kim Il-song in the message expressed the belief that the friendly and cooperative relations forged between the two countries through a common struggle for independence against imperialism will further strengthen and develop.

Vice Foreign Minister Meets New Envoys

SK0309111391 Pyongyang KCNA in English 1011 GMT 3 Sep 91

[Text] Pyongyang September 3 (KCNA)—Kang Sok-chu, first vice-minister of foreign affairs, today met and conversed separately with Sh. Gungaadorj [spelling as received], new Mongolian ambassador extraordinary and plenipotentiary [e.p.] to Korea, and 'Ali al-Mutawalli Hijazi, new Egyptian ambassador e. p. to Korea, who paid a courtesy call on him.

Meeting Marks Anniversary of Nonaligned Movement

SK3108110691 Pyongyang KCNA in English 1020 GMT 31 Aug 91

[Text] Pyongyang August 31 (KCNA)—A Pyongyang meeting was held at the Pyongyang International Cinema House today on the occasion of the 10th anniversary of the day of non-alignment and the 30th anniversary of the founding of the Non-Aligned Movement (NAM).

Invited to the meeting were diplomatic envoys and officials of embassies of non-aligned countries here.

Kang Hui-won, alternate member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-premier of the Administration Council, and officials concerned were present.

Kang Hui-won, addressing the meeting, said NAM, proceeding from its noble aim, has waged a powerful struggle to build a free, peaceful and prosperous new world under the banner of independence against imperialism, of peace against war and of non-alignment.

In his many classical works the great leader Comrade Kim Il-song gave comprehensive answers to the theoretical and practical questions concerning NAM such as its character and mission, and position and role in the international arena, and its tasks, the speaker stressed, and continued:

Whenever NAM faced a test and a challenge owing to the interference of reactionary forces and their manoeuvrings to divide and disorganise it, our Republic put forward proposals to overcome them and conducted brisk activities to carry them into practice, thereby contributing to the sound development of the movement and its unity and cohesion.

Today the non-aligned countries are confronted with tasks to reaffirm the fundamental principle and idea of NAM which were formulated in its inception and make joint efforts to invigorate the activities of the movement.

Only when NAM sticks to its principle of independence and remains faithful to its principle and idea to the end, can it defend its independent position and characteristics and maintain its existence as a political force outside blocs.

NAM should give priority to the elimination of the nuclear weapons, reduce the existing nuclear arms and, furthermore, actively struggle to remove all the nuclear weapons.

It is a very urgent task facing the non-aligned and other developing countries to actively realise South-South cooperation.

Speaking next, Ostojic Marinko, charge d'affaires ad interim of the Yugoslav Embassy here, said NAM has in the past fought for the independence of many countries and opposed the policy of strength, dominationism and division of the world into blocs.

NAM has also struggled for disarmament and world peace and security and exerted efforts for a peaceful settlement of international disputes, he noted.

Pointing out that instability and inequality still exist in the world and this requires that NAM further step up its activities in the future, he stressed the need for NAM to continue striving for the solution of the Palestinian issue, the Cambodian issue, the Korean issue, the question of North-South relations and the question of ensuring human rights, etc.

Saying he witnessed at first hand all the progressive forces of the world rendering full support to respected Comrade President Kim Il-song for the reunification of Korea, he wished the Korean people continued success. The socialist construction they are pushing ahead with on the basis of independence and the spirit of NAM.

Editorial Urges All People To Defend Socialism

*SK0609101791 Pyongyang KCNA in English
0959 GMT 6 Sep 91*

[Text] Pyongyang September 6 (KCNA)—NODONG SINMUN today editorially calls upon all the officials, party members and working people to work with great pride and honor of defending and developing man-centered socialism of our own style under the leadership of the great party and the great leader and with high fervour, ambitious spirit and confidence, full of vigor, as revolutionaries of chuche Korea to increase the might of the party and making a greater progress in socialist construction.

The editorial says:

We are now building socialism, smashing the reactionary moves of the imperialists.

The U.S. imperialists and their stooges leave no stone unturned in their efforts to bar our people's revolutionary cause of resolutely defending the banner of socialism.

We must check and frustrate the maneouvers of the enemy with our own staunch struggle and achieve continuous victory of revolution.

All the officials, party members and other working people must staunchly struggle and advance with high enthusiasm, confidence and ambitious spirit, make the whole country seethe with upswing and effect uninterrupted innovation in all sectors of socialist construction.

All the party members and working people should decisively reject the slightest indolence and relaxation, devote their all to the party and revolution and steadfastly fight with firm conviction of the justness of the revolutionary cause of chuche.

Daily Praises Advancement of Revolutionary Ranks

*SK0509114391 Pyongyang KCNA in English
1023 GMT 5 Sep 91*

["Invincible Are Our Revolutionary Ranks Advancing Closely United in Revolutionary Comradeship"—KCNA headline]

[Text] Pyongyang September 5 (KCNA)—NODONG SINMUN today comes out with a signed article entitled "Invincible Are Our Revolutionary Ranks Advancing Closely United in Revolutionary Comradeship".

Stating that the fine tradition of revolutionary comradeship created as far back as in the period of the anti-Japanese revolutionary struggle is in full bloom within our party and the revolutionary ranks, the paper says:

The whole party and society overflowing with revolutionary comradeship, our party is strong, the driving force of our revolution is powerful and our-style socialism is making a victorious advance.

The paper quotes the dear leader Comrade Kim Chong-il as teaching:

"Since the leader, the party and the masses are welded into one socio-political organism and share the same destiny, they form a relationship based on revolutionary duty and comradeship, the relationship of helping and loving each other."

Revolutionary comradeship, the paper goes on, is a noble thought and feeling formed among the people who share the same idea and purpose on the road of making revolution under the guidance of the leader.

Only when the revolutionary ranks are pervaded with the revolutionary comradeship is it possible to strengthen the party and powerfully push ahead with the revolutionary struggle and construction.

Revolutionary comradeship is expressed between the leader and his soldiers on the noblest level.

The greatness and invincibility of revolutionary comradeship depend upon the greatness of a leader who is standing in the centre of the party and the revolutionary ranks.

Personality, virtue and humanity of a great leader are a basic source which constantly brings true comradeship into full play.

The respected leader Comrade Kim Il-song is the great man, the great comrade to whom chuche-type revolutionaries and the entire people wholly entrust their destinies and whom they follow.

It was thanks to the unquestioned trust and love for the revolutionary comrades that Comrade Kim Il-song could pioneer the revolutionary cause of chuche after embarking upon the road of the revolution in his early years.

There is today and tomorrow on the road of revolution only when traditions are glorified.

It is an unshakable will of dear Comrade Kim Chong-il to inherit, resolutely defend and develop the traditions of revolutionary comradeship founded by Comrade Kim Il-song.

Regarding it as an important matter concerning the traditions of our party to honor and help veteran revolutionaries, he has always looked after them with warm care and led the work of fully displaying the revolutionary comradeship fostered during the anti-Japanese struggle in the whole party and society.

The revolutionary comradeship of the Korean people which is being given fuller play in the course of successfully inheriting and accomplishing the revolutionary cause under the leadership of the party and the leader is the noblest and purest ideological and mental traits.

Our revolutionary comradeship is a spotlessly clean thought and feeling the lifeblood of which is the ideas and will of the great leader, the most sincere heart filled with a highest degree of consciousness and devotion and an unchangeable ideological sentiment which is being further deepened with the passage of days without the slightest change under any circumstances and conditions.

Youth League Chairman Addresses Youth Day Rally

SK3108064991 Pyongyang Korean Central Broadcasting Network in Korean 0756 GMT 27 Aug 91

[Report by Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth of Korea (LSWYK), at a central report meeting on Youth Day at Kim Il-song Stadium in Pyongyang, 27 August—live]

[Text] Comrades: Today we significantly observe the first historic Youth Day amid the magnificent environment in which all the people and youths across the country are vigorously accelerating the general march movement under the party's and leader's wise leadership, and demonstrating the might of the popular mass-oriented socialism of our own style to the entire world, and in which the atmosphere for fatherland reunification is warmer than ever, with the 91 pan-national rally as a turning point. It is another instance of the great glory and pride that the Korean youths feel as we greet Youth Day for the first time in the history of our fatherland amid the great interest and warm blessing of the entire party membership and all the people. In the name of the LSWYK Central Committee, I send warm congratulations and militant greetings to all the LSWYK members and youths of the country who are greeting the first Youth Day. [applause]

Comrade Kim Chong-il, the dear leader of our party and our people, the tested leader of the Korean communist youth movement, has sent a valuable letter to the youths and LSWYK functionaries of the entire country who are greeting the first Youth Day. [applause] That the dear leader Comrade Kim Chong-il sent the letter was an important event that greatly glorified this first Youth Day and set a new revolutionary turning point in the political and ideological lives of us youths and in the development of our communist youth movement.

The historic letter which the dear leader comrade sent, "Young Men and Women, Be the Young Vanguard Unfailingly Loyal to the Party and the Leader," is a great program for the communist youth movement. It brilliantly sums up the proud road trod by the Korean youth movement under the party's and leader's leadership. It brightly illuminates the road to strengthen the LSWYK's work in conformity with the demands of the present developments and to more firmly prepare the youths to be the young vanguards of the party. It is also an encouraging banner which vigorously arouses the entire youth in a sacred struggle for the completion of the chuche revolutionary cause under our party's leadership. [applause]

The hearts of us LSWYK functionaries and youths are filled with high revolutionary pride and self-respect as we greet Youth Day, receiving the dear leader comrade's historic work with overflowing gratitude and excitement. We are filled with a firm resolve to further strengthen and develop the LSWYK's work and to demonstrate more strongly the might of the party's young vanguards in upholding the programmatic task set forth in the work. Comrades: That Youth Day has been newly set aside in our country by the consideration of the great leader and the dear leader comrade is significant in the youth's political and ideological lives and in the development of the youth movement.

The dear leader Comrade Kim Chong-il has noted: Our party has decided to choose as Youth Day the significant formation day of the Korean Communist Youth League [KCYL] by the great leader Comrade Kim Il-song amid the blaze of the anti-Japanese revolutionary struggle on 28 August 1927.

The great leader—who had regarded youth as the most lively force of social revolution since the time he first set off on the road of the revolution and began his glorious revolutionary activities with the work of rallying the youths—formed the KCYL himself on 28 August 1927 when he was pioneering the new course of the Korean revolution. The KCYL's formation was a historic event of epochal significance in the development of the communist movement and the youth movement of our country.

With the formation of the KCYL, the Korean Communist movement and youth movement, which took root in the Down-With-Imperialism Union, were able to develop more vigorously. They had a strong vanguard organization to firmly rally the revolutionary young hard-core elements. The KCYL made immortal achievements in pioneering the chuche revolutionary cause and in bringing about the victory in the anti-Japanese revolutionary struggle and the historical cause of liberating the fatherland. This led to the glorious beginning of the Korean youth movement, and its shining tradition was created.

The tradition of the Korean Communist youth movement is in the most brilliant tradition of an example of endless loyalty to the leader of the revolution and wholehearted unity firmly united around the leader. [applause]

The passion of loyalty and the outcry of unity surging in this grand plaza of congratulations today magnificently demonstrate the firm faith and volition of the new generation youth, the young vanguards of the 1990's. We will inherit and complete the chuche revolutionary cause to the end, following the dear leader comrade with loyalty and with wholehearted unity. [applause]

We, the youth who have inherited the shining tradition of the anti-Japanese struggle, have demonstrated the honor of being an honor guard and a do-or-die unit since the liberation in the struggle to defend and implement the party's line and policy, upholding the leadership of the party and the leader at every stage of development in the revolution. It was the youths who were the vanguards and shock brigades across the country, standing at the head of the struggle to set up the people's government, founding the advanced social system, and crushing the class enemy's obstructive maneuvers. The members of our Democratic Youth League and our youths were the heroic fighters who rose up in the sacred war annihilating the enemy during the stern fatherland liberation war, who stood at the head of the assaults and charges, who waged hand-to-hand fights on the burning hills, and who defended the fatherland with their blood.

During the difficult time of postwar rehabilitation, our youth started the chollima movement, filled with the revolutionary spirit of self-reliance and arduous struggle. In every way they were a noble example of young revolutionary fighters in the magnificent struggle that brought about the heyday of socialist construction.

Traveling the long road of the revolution for more than half a century, the Korean youth waged a guerrilla struggle and war, waged a class struggle, and engaged in rehabilitation and construction, experiencing all kinds of stern trials and adversities. Yet they were never discouraged. They invariably waged a courageous struggle with faith in sure victory, brilliantly displaying the honor of being the remaker and pioneer of society. [applause]

The Korean youth movement, which has traveled the single road of proud victory under the leadership of the party and the leader has risen to a new, higher plane and is advancing with vitality under the outstanding and tested leadership of the dear leader Comrade Kim Chong-il. [applause]

The dear leader Comrade Kim Chong-il—who has led the youth movement of our country, standing at the front of it and elucidating anew the historic position of the Korean Communist youth movement will, in essence, inherit and consummate the revolutionary cause charted by the leader generation after generation—is energetically guiding LSWYK work, attaching greater significance to the youth movement in conformity with the demands of the developing revolution. [applause]

The dear comrade leader glorified the LSWYK Seventh Congress as the historic congress proclaiming the grand new start of young vanguards. He brilliantly elucidated the new path of the youth movement through his works and policies, including the work, "On Further Strengthening Party Guidance in Juvenile Work" and "The Present Era and the Duties of Young People." He also introduced revolutionary slogans that strike a chord in young people's hearts and thus vigorously infused our young people with vim and vigor of youth.

The dear comrade leader, by providing the most superior system for indoctrinating young people and giving our life and orgznization in our own style, not only has seen to it that the work of modeling the ranks of young people after the chuche idea is vigorously accelerated, but has also led young people, who are the most powerful force in society, to more firmly prepare themselves for the sacred struggle to glorify and safeguard our socialist system. Thanks to the benevolent guiding hand of the dear comrade leader—who, firmly trusting the creativity and initiative of young people and their heroic disposition, not only has identified them as the spearheads in implementing the party's policies, but has also highly praised every achievement, small and large, that they have registered—our young people have been able to grow up to be heroes and creators of feats.

Indeed, the energetic leadership of the dear comrade leader has been the vital force of our youth movement and the fundamental factor of all the victories and successes that have been achieved in LSWYK work. [applause]

Thanks to the wise leadership of the dear comrade leader, our country's youth movement has greeted a great heyday. Its rays radiate as the pattern of the world youth movement, and all young people are vigorously demonstrating the might of the young vanguard of the 1990's. The proud spirit of our young people allows us to faithfully uphold and defend the party in singlehearted unity with death-defying resolution and unbreakable fighting spirit at the frontline of the struggle to implement party policies, loudly shouting the slogan of "Young vanguard" and cherishing absolute trust in the party.

Cherishing such spirit, our intelligent and brave young speed battle shock brigade members and young builders have performed the miracle of quickly building railroad tracks in the rugged northern inland area, surmounting all sorts of difficulties and trials. Even today they still display their bravery and brilliant feats at all construction sites, including the Tongil street construction site, the underground pit of Komdok, the construction site of railroad track between (Namdo) and (Onchon), and the Suchon vinalon complex construction site.

The great gains of the most superior popular mass-centered socialism of our own style are permeated with the noble blood and sweat of our young people who heroically fought for the party, the revolution, the fatherland, and the people, devoting their strength and wisdom. The great monumental edifices of the era of the Workers' Party—which have been built everywhere in the country—are shining as a youth tower of exploits which symbolize the resolute revolutionary spirit and indomitable fighting spirit of the young people of Korea who have implemented the party's policies with death-defying resolution, daring flood and fire, in response to the party's call. [applause]

A great change has been effected in the ideological and mental characteristics of young people, as well. As a result, the ranks of our young people have been firmly consolidated as the social and political organism united around the party and the leader. All of the young people have unshakable faith and the determination to share the destiny with our party forever, united around the great leader and the dear comrade leader with the firm revolutionary outlook on the leader and the revolutionary outlook of chuche. This is the unshakable revolutionary faith of our young people who do not shake amid any formidable changes in history.

Our young people have not forgotten that they are the sons and daughters of the great Korean nation, that they have inherited and carried on the revolutionary spirit of Paektu, and that they are also the generation struggling and carrying out the revolution.

Therefore, our young people's warm hearts are rigorously beating with an ardent desire to enjoy their true youthful lives by brightening the Korean nation's greatness and devoting themselves to the struggle for the party, the fatherland, freedom, and the people, even though they may live for only a moment.

Our reliable senior high school graduates and young people discharged from the military are going to the most difficult sectors in socialist construction en masse. Such a beautiful act by a new generation of young people is clear evidence and a testimonial to the good ideological and spiritual state of our young people who have been raised by the party. Truly, boundless loyalty to the party and the leader, the revolutionary spirit, the high organizational spirit, discipline, industriousness, and simplicity are the Korean people's excellent characteristics today. [applause]

This is the clear manifestation of the proud reality in our country in which the youth problem is being solved brilliantly under the party's correct leadership. It is a firm guarantee that promises the bright future of the chuche revolutionary cause.

Our young people's lofty characteristics and high revolutionary spirit were all displayed at the 13th World Festival of Youth and Students held in our country and are being displayed more prominently on Youth Day.

With high political fervor and an ardent desire to repay the party's benevolence in celebrating Youth Day, the young people are vigorously waging a labor struggle of loyalty in all the sectors. In this way, the electrification of the Paegam-Yugok youth railway line and the construction of the (Pungnyon) electric plant have been completed; several electric rolling stocks have been manufactured; the young miners at Komdok have achieved miracles in the production of non-ferrous metals by creating the Kumgol speed of the 1990's; and various other big achievements have been made.

Youth Day has been designated and is being celebrated at a time when the great heyday of the youth movement has come under the party's wise leadership and when, as a result, the LSWYK has made great achievements. This is another milestone that will brighten the immortal achievements of the dear comrade leader's leadership in the youth movement.

Youth Day is truly a revolutionary festive day in which the proud course of the Korean Communist youth movement—which is decorated with victories and honors under the wise leadership of the party and the leader—and the mighty ranks of young people who are united around the party and the leader are demonstrated. It is a felicitous day in which a new generation of young people who are growing in the party's embrace as reliable heirs to the revolution sing songs of boundless pride and happiness. [applause]

On this meaningful occasion filled with the joy and romance of youthful years, with the fervent admiration and loyalty of all the young people and LSWYK officials across the country, I extend the highest honor and warmest thanks to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il, who earlier opened the honorable beginning of the Korean Communist youth movement under the brilliant banner of the chuche idea, created its brilliant traditions, brought the great heyday of the youth movement on this land with outstanding and tested leadership, and designated the meaningful Youth Day, thus giving proud prominence to our young people. [applause]

Comrades: Today, we have the honorable and difficult task of thoroughly carrying out the programmatic task, elucidated in the historic document written by the dear comrade leader, based upon our achievements. In his letter, the dear comrade leader pointed out: Today, an honorable duty that our people have before the era and revolution is to firmly adhere to the popular masses-centered socialism of our style and to further brighten it.

An idea consistent throughout the document is that all of our LSWYK members and young people must become reliable young vanguards who firmly adhere to the popular masses-centered socialism of our own style, which the great leader built and which the dear comrade leader is brightening, and who complete the chuche-oriented socialist cause to the end generation after generation under our party's leadership.

All the LSWYK members and young people must correctly know the basic spirit, which is outlined in the document, and thoroughly implement the revolutionary slogan "Young people must become young vanguards endlessly loyal to the party and the leader!" Boundless loyalty and absolute duty to the party and the leader are basic characteristics that the party's young vanguards must have.

The young people must become genuine loyalists and dutiful people with a thorough revolutionary view of the leader, uphold the great leader and the dear comrade leader, resolutely defend the party and the leader, and unconditionally and thoroughly implement the party's policy. More highly upholding in the future the slogan of loyalty "Let us learn from the dear leader Comrade Kim Chong-il!", we must also thoroughly embody the dear comrade leader's greatness and immortal achievements by vigorously learning from the dear comrade leader. In this way, we must become honor guard units and do-or-die unit members who ardently follow the dear comrade leader with boundless loyalty and who resolutely defend the party under any difficult and troublesome circumstances with a firm determination to share the same destiny with our party. [applause]

The young people must strongly arm themselves with our party's revolutionary ideas and resolutely adhere to and inherit and develop the tradition of single-minded unity. All the young people must firmly believe that they do not know any idea but our people's chuche idea, must consider the chuche idea as their one and only view of the world, and must strongly arm themselves with our people's revolutionary tradition and the Korean-nation-as-No. 1 spirit. In this way, they must become resolute fighters and genuine dutiful patriots who always fight with devotion under the revolutionary red flag, displaying the superiority and might of the popular masses-centered socialism of our style.

Inheriting the revolutionary spirit of the previous generation of young people, we must loyally and single-mindedly follow the party's leadership and thoroughly prevent any wind of liberalization or trivial noncommunist factor from infiltrating into the ranks of our young people.

As a new generation of people given new education, our young people must all have the chuche-oriented view of life, a view of [word indistinct], and a noble moral view; must live and struggle like heroes for society and groups they belong to; and must more highly display the Korean young people's characteristics of having a strong organizational nature and discipline and being industrious and simple.

For the young people to take the lead in socialist construction and play the role of vanguard and shock brigade is an important task designed to accelerate the chuche revolutionary cause and brighten their honor as the party's young vanguards. In hearty response to the militant slogans "What the party decides, we will do!" and "Let us become young heroes in the worthwhile struggle to brighten the Workers Party's era!", we must become vanguard fighters of creativity and construction who take the lead in implementing the party's plan for socialist economic construction.

In an emotional revolutionary and turbulent era of construction, we cannot consider those who pursue only their own honor, lead an idle life, [words indistinct], or do only easy tasks as young people of the chuche idea. The young people must take the lead in defending and carrying out the party's policies. They must courageously volunteer to work on the most difficult battlefields for socialist construction. All of them must become high achievers and heroes by vigorously conducting the youth shock brigade movement and the youth do-or-die unit movement. [applause]

The young people must consider the defense of the fatherland as their noblest duty, sincerely learn military affairs, and firmly defend our socialist fatherland politically, ideologically, and militarily. In response to the demand of the developing times, we must consolidate the LSWYK ranks and further enhance its functions and roles. LSWYK committees at various levels and their officials must thoroughly implement the principle of building LSWYK organizations. In hearty response to the militant slogan "Let us help primary-level organizations!" they must upgrade all primary-level organizations to the level of model primary-level young vanguard units and further consolidate the entire league into the ranks of single-minded unity, loyalty, and duty.

In particular, we should resolutely defend and develop the tradition of the youth movement founded by the great leader and the leadership achievement recorded by the dear comrade leader. Thus, we should more brilliantly glorify our youth movement of chuche as a glorious movement that inherits and consummates the chuche revolutionary cause charted by the great leader generation after generation. [applause]

All LSWYK organizations and young people should unanimously rise up in an all-out display of loyalty to greet the upcoming birthdays of the great leader and the dear comrade leader, the greatest national felicitous day, with high political zeal and brilliant labor success. [applause]

It is the unanimous, long-cherished desire of the nation to achieve the cause of national reunification in the 1990's. We should vigorously wage a joint struggle to reunify the country at any coast in the 1990's by pooling the strength of the youths of South Korea with all Korean youths overseas under the banner of great national unity.

We highly praise the patriotic struggle of Korean youths and students in Japan who have firmly inherited the generations of the General Association of Koreans Residents in Japan. We also extend warm compatriotic greetings to them and all other youths overseas. [applause]

We will make all possible efforts to develop friendly and cooperative relations with the progressive youths and students of all countries. The cause of our young people who are blessed with the leadership of the great party is just, and our fighting spirit and faith are firm and invariable. [applause]

Standing at the head of our youth movement is the dear leader Comrade Kim Chong-il who is advancing, assuming responsibility for the future of the new generations, with the great ideology and excellent leadership ability. The brilliant ray of guidance is brilliantly brightening the future path of our young people. [applause]

No strength can block the forward movement of our young people who are advancing, united with one mind around the party and the leader. [applause]

Korea of the future is precisely the Korea of our young people. [applause] Let us all firmly unite around the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il and more vigorously demonstrate the honor of the young vanguard of the party in the struggle to consummate the chuche revolutionary cause. [applause]

Long live the great leader Comrade Kim Il-song. [applause, hurrah, and cheers]

Long live the dear leader Comrade Kim Chong-il. [applause, hurrah, cheers, and shout of slogans]

Youth, Students Hold Meeting To Affirm Loyalty

SK0209055691 Pyongyang KCNA in English 0534 GMT 2 Sep 91

[Text] Pyongyang September 2 (KCNA)—A meeting of youth and students in Pyongyang for vowing to thoroughly implement the programmatic tasks laid down in "Young Men and Women, Be the Young Vanguard Unfailingly Loyal to the Party and the Leader," a historic letter of the dear leader Comrade Kim Chong-il, was held at Kim Il-song Square Sunday with the attendance of more than 50,000 youth and students.

Choe Yong-hae, chairman of the Central Committee of the League of Socialist Working Youth [of Korea] [LSWYK], made a report and representatives of young people from all walks of life took. [sentence as received]

The reporter and speakers said that young men and women should be the true young vanguard of the Workers' Party of Korea to staunchly safeguard the great leader President Kim Il-song and the dear leader Comrade Kim Chong-il politically, ideologically and with their lives and carry out to the end the lines and policies of the party, loyally upholding the leadership of the party and the leader.

All the young men and women should be vanguard fighters of creation and construction dynamically making a breakthrough, displaying their might as the main force of socialist economic construction at every grand construction site with the unshakable conviction that "when the party is determined, we can do anything!", they said, and stressed:

Upholding the highly important tasks contained in the letter, all the LSWYK organisations and young people should vigorously conduct the model young vanguard primary organisation movement under the motto "Let the whole league help primary organisations!" to make all primary organisations loyal young vanguard collectives.

A resolution was adopted at the meeting.

Choe Tae-pok, alternate member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, and Vice-Premier of the Administration Council Chang Chol and others were present there.

Agriculture Official Praises Good Grain Harvest

SK0609050491 Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 4 Sep 91

[Interview with Yim Chang-tok, director of the Production Guidance Bureau of the Agricultural Committee, by Kim Su-kyong, Central Broadcasting Network reporter; date, place not given; first two paragraphs are announcer-read introduction]

[Text] Under the wise leadership of the great leader and our party, a successful agricultural crop condition was realized in every socialist cooperative field in our country.

A rich rice harvest developed in every rice paddy of socialist cooperative fields and fruitful ears of corn are born in corn fields in hills and valleys.

[Begin recording] [Kim Su-kyong] When the great leader gave on-the-spot guidance to the works of various domains in the national economy of North Hamgyong Province, he expressed great satisfaction with an unprecedentedly good crop condition realized this year by North Hamgyong Province. Will you tell us about this year's crop condition?

[Yim Chang-tok] This year's crop condition is very good [taedanhi chotta]. In all areas from the river valley along Tuman River, including Wangjesan cooperative farm in Onsong County where the great leader visited, to boundary areas at the Pungdok field in Kaepung County, a successful crop situation has been realized.

In fields across the country, including Yonbaek field, (Chaeryongnamuri) field, Yoltusamcholli field, and Yonduyongcholli field, the number of ears of each rice cane increased by 50 to 100 pieces from that of last year and their results are also very good. A rice stalk, which was already harvested, showed a weight of 28 grams with about (?1,000) grain.

In particular, this year's corn farming is good. The characteristics of corn farming is that the size of the ear is large and each kernel is solid and glossy, thus bearing good results to the edge of the ear.

The secret to a good harvest of corn this year was that all the people carried out soil-plowing and all farming works as taught by the great leader and according to the demand of the chuche idea.

As a result, in all places including Changson County and Yonbyon County in North Pyongan Province; Kaechon City in South Pyongan Province; Yonan County in South Hwanghae Province; (Sinkyong) and Chinjong filed in Hwangju, North Hwanghae Province and Sinhung County in South Hamgyong Province, the number of kernels in each ear of corn increased by more than 50 and the weight of a corn (?stalk) with 1,000 kernels increased by 30 to 50 grams over that before plowing the corn field.

Today the agricultural workers throughout the country are accelerating the autumn corn harvest with pride and joy in realizing such a rich crop condition. [end recording]

Crop Yields in West Coast Area Improve

SK0409051391 Pyongyang KCNA in English 0422 GMT 4 Sep 91

[Text] Pyongyang September 4 (KCNA)—Crops are ruling good on the cooperative fields throughout Korea.

Yonbaek and Yongchon Plains, the granaries on the west coast, have been visited by unusual bumper crops.

According to data available, the number of the rice stalks with ears per pyong is 165 to 250 more than last year's on the average in the Yonan, Paechon and Chongdan Counties situated in the Yonbaek Plain and on the Sinam, Changsan and Sobuk cooperative farms in Yongchon Plain and the number of grains per rice ear has sharply increased.

An average of 10 tons of rice are expected from each hectare.

The harvest of maize has begun in rural communities.

Fertilizer Production Center Under Construction

SK0509151491 Pyongyang KCNA in English 1501 GMT 5 Sep 91

[Text] Pyongyang September 5 (KCNA)—The construction of the July 4 factory is being stepped up at a fast speed in the Manpo area of Chagang Province in the northern part of Korea.

It is a vast project to set up over 30 production buildings with a total floor space of 120,000 square metres.

The factory will yearly turn out hundreds of thousands of tons of nitrogenous and phosphatic fertilizers.

In a short period since its ground-breaking, the constructors have completed the excavation of tens of thousands of cubic metres of groundwork and concrete tamping for the electrolysing and rectifying shops, main buildings of the factory, and erected hundreds of columns and foundation beams for the electrolysing shop.

A vast groundwork excavation of fifteen auxiliary buildings has been completed in the main.

They also successfully carried out the laying of the railroad bed for the several thousand metre long line branching into the factory by moving tens of thousands of cubic metres of earth.

They are powerfully pushing ahead with the building of houses for 800 families and service facilities.

When the project of the factory is completed, various kinds of fertilizers produced there will be supplied to mountainous provinces including Chagang Province, which will greatly contribute to the increase of the production of grain, vegetables and silk worm cocoons and improving the people's livelihood.

Report on Schools, Transport in Remote Areas

SK0209153291 Pyongyang KCNA in English 1509 GMT 2 Sep 91

[All quotation marks as received]

[Text] Pyongyang September 2 (KCNA)—New branch schools have been opened in Manpo City, Chagang Province, Chongdan County, South Hwanghae Province, Sohung County, North Hwanghae Province, and other places with a new school term beginning on September 1.

These branch schools built in out-of-the-way mountain villages and islets are imbued with the great loving care of the dear leader Comrade Kim Chong-il who shows all care for the education of the younger generation.

He took measures to build schools near the places of residence of school boys and girls so that all of them could benefit by the universal compulsory eleven-year education, while showing deep loving care to build branch schools in some places inconvenient in traffic. When he visited Sohung County of North Hwanghae Province in October 1981 he learned that the children of Namsan Village of the county were going to school across a pass and took a step to build a branch school for them.

Five teachers who finished normal universities including a merited teacher teaching more than 30 school children in the branch school named "Undok (Benevolence)

Branch School" to convey love of Comrade Kim Chong-il through generations". [sentence as received]

It is provided with good educational conditions such as teaching aids, nature and musical instruments rooms, playground, garden of teaching materials, etc.

Under the warm love of Comrade Kim Chong-il for the rising generation such branch schools have been built in various places of the country.

There are 13 branch schools at the Huryongdong cableway post and villages of herdsmen in Pungsan, Kaema tableland, which is called as the village nearest from the sky and the Changsong Primary School in Cholsan County, North Pyongan Province has five islet branch schools.

There are more than 130 branch schools in North Hwanghae Province, and 150 in North Hamgyong Province, nearly 1,000 schools nationwide.

School trains and buses serve school children who live far off their schools and at inconveniently situated places.

In October 1977 Comrade Kim Chong-il acquainted himself with the condition of going to and from schools of children of Kinyang Village of Rinsan County, North Hwanghae Province, and took care that a good school bus was made and sent to them and a neat railway station and run school train for the school children of Myongoun Pass.

A school train is running for 16 children of railway workers and farmers in Hwangcho area, Changjin tableland 1,400 metres above the sea level. About 10 lines have been designated as exclusive school train lines in mountain areas and 20 roads as school bus sections in the areas where railways have not been laid.

KCNA Reviews 6 Sep Pyongyang Press

SK0609061091 Pyongyang KCNA in English 0444 GMT 6 Sep 91

[Press review]

[Text] Pyongyang September 6 (KCNA)—Papers here today report that Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea [WPK], sent messages to foreign party leaders in reply to their messages and letters during the month of solidarity with the Korean people.

NODONG SINMUN carries messages of greetings to Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, sent by Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba, and Akbar Hashemi-Rafsanjani, president of the Islamic Republic of Iran, on the occasion of the 43rd anniversary of the founding of the Democratic People's Republic of Korea.

The paper says that the immortal classical work of the great leader President Kim Il-song "For Free and Peaceful New World" was published in booklet by the Yugoslav paper DNEVNIK [name as received].

An article of the paper deals with the wise leadership of President Kim Il-song to constantly enhance the functions and roles of the county party committees.

The paper reports that the work of the dear leader Comrade Kim Chong-il "Young Men and Women, Be the Young Vanguard Unfailingly Loyal to the Party and the Leader" was reported in foreign countries.

A lecture on the work of Comrade Kim Chong-il "Our Socialism for the People Will Not Perish" was held in India, says the paper.

An editorial of the paper calls upon all the leading officials, party members and working people to work and live with revolutionary zeal and confidence.

Econews of the press includes reports that the Musan mining complex is increasing the production of iron headings, the construction of the Sariwon potassic fertilizer complex is progressing fast and cooperative farms throughout the country are vigorously stepping up maize harvest.

NODONG SINMUN carries an article titled "It Is Great Honour of our Youth To Play Shock Brigade Role in Socialist Construction" and MINJU CHOSON an article headlined "Endlessly Vast Is the Future of our Republic Prospering Under the Leadership of the Party and the Leader."

Papers inform the readers that a film week opened to mark the 43rd anniversary of the founding of the Democratic People's Republic of Korea and students Pak Song-hui and Song Yong-sung, delegates of the National Council of Student Representatives (Chondaehyop) of South Korea, appreciated the revolutionary opera "The Flower Girl" and toured Mt. Kumgang.

NODONG SINMUN informs the readers that vice-director of a department of the C.C., the Workers' Party of Korea Kim Hyong-u met with party leaders of European countries while staying in Vienna as head of a WPK delegation, and meetings were held to mark the 20th founding anniversaries of the Tanchon and Hyesan Universities of Techonologies.

World public voices strongly demanding the withdrawal of the U.S. troops and nuclear weapons from South Korea are conveyed in papers.

Japanese and Korean historians, in a joint statement, pointed out that the "Korea-Japan Annexation Treaty" was forced by arms, say papers.

South Korean news of the press includes reports that a collection of anti-U.S. novels was brought out and students are struggling for the settlement of campus problems.

NODONG SINMUN comes out with a commentary denouncing the "Ulji 91" war games staged by the South Korean puppets.

Dailies report that the U.S. imperialists continuously committed aerial espionage on the northern half of Korea.

Under the headline "The Chuche Idea Is a Scientific Doctrine Showing Mankind the Road of Everlasting Happiness and Prosperity" NODONG SINMUN carries what foreign followers of the chuche idea said, praising it.

In a commentary it hits at the remarks of U.S. Defense Secretary Cheney that the United States has no plan to withdraw their troops from South Korea.

It carries news that Qiao Shi, member of the Standing Committee of the Politburo of the C.C., Communist Party of China, called for having stronger faith in socialism and communism and the Vietnamese paper NHAN DAN declared the firm determination of its people to adhere to socialism and carry on its building.

International news columns of the paper include reports that it was decided to hold the 10th summit of the Nonaligned nations in Indonesia, a meeting of the foreign ministers of the Nonaligned countries opened, the Nigerian president called for strengthened South-South cooperation, the African National Congress of South Africa called on the international financial bodies not to cooperate with the South African authorities. News of the current political situation in the Soviet Union is given in the paper.

It introduces the achievements made by the Chinese workers in building socialism.

Carried in the daily is an article on the growing danger of a nuclear war on the Korean peninsula by the U.S. imperialists' "new military strategy".

South Korea

Government Recognizes Independence of Baltics

SK0609021591 Seoul YONHAP in English
0155 GMT 6 Sep 91

[Text] Seoul, Sept. 6 (OANA-YONHAP)—South Korea recognized the independence of Estonia, Latvia and Lithuania from the Soviet Union Friday and voiced its hope to set up diplomatic ties with them soon.

President No Tae-u sent cables to Arnold Ruutel, chairman of the Estonian Supreme Council, Anatolijs Gorbunovs, chairman of the Latvian Supreme Council, and Vitautas Landsbergis, president of Lithuania, congratulating them on their independence.

The Foreign Ministry said in a statement that Seoul's establishment of formal relations with them could develop amicable and cooperative relations in the areas of politics, economics, and culture.

The three nations were annexed by the Soviet Union under the Nazi-Soviet non-agression pact of 1939.

Foreign Ministry Delegation To Visit

SK0609062491 Seoul YONHAP in English
0501 GMT 6 Sep 91

[Text] Seoul, Aug. 6 (OANA-YONHAP)—South Korea will send a delegation led by an ambassador-at-large to the three Baltic states to discuss normalization of diplomatic relations late this month or early next month, Foreign Minister Yi Sang-ok said Friday.

"The delegation will study the domestic situation of the three Baltic nations and discuss bilateral cooperation with them," Yi said in a press conference.

Korea had no plans at the moment, however, for ties with other Republics of the Soviet Union, including the Russian Republic, as the historic background of the Baltic nations was different, Yi said.

The matter would be studied after watching developments in the Soviet Union and individual republics and adoption of the new union treaty and new constitution, he said.

South Korea announced its recognition of the Baltic nations—Estonia, Latvia and Lithuania—earlier Friday and voiced hope that diplomatic ties with them would be established soon.

The foreign minister said South Korea had no plan to request or arrange contact with North Korean diplomats during the Group of 77 meeting that opens in Pyongyang on Saturday.

Yi said a summit between Presidents No Tae-u and George Bush was being arranged for Sept. 23 or 24 but a firm date had yet to be decided.

The two leaders were expected to discuss bilateral cooperation in the United Nations and South Korea's role after its admission to the world body late this month, Yi said.

Diplomatic relations with China, Yi said, would be established on the foundation of substantial trade and cooperation between the two countries, but the joint admission of South and North Korea in the United Nations could expedite the process.

He denied reports that China has requested the two countries establish government trade representative offices or liaison offices as an intermediate stage on their way to full-fledged relations. Seoul and Beijing now maintain a non-governmental trade representative office in each other's capital. Washington and Beijing had liaison offices before establishing formal relations in the early 1970's.

He also denied that former Prime Minister Sin Hyon-hwak would deliver President No's personal message on setting up diplomatic ties to the Chinese Government when he visits Beijing early next month.

Belorussian Premier Plans Trade Representation

SK0609091391 Seoul YONHAP in English 0855 GMT 6 Sep 91

[Text] Seoul, Sept. 6 (OANA-YONHAP)—The Soviet Republic of Belorussia is considering opening a trade representative office in South Korea for stronger economic cooperation, the republic's prime minister said Friday.

Upon arrival here, V.F. Kebich said his visit to Seoul marked the beginning of sincere cooperative relations between Korea and Belorussia.

Kebich, the first Soviet official to visit Seoul since the aborted coup and the first visitor ever from Belorussia, leads an eight-member delegation. He is to meet with President No Tae-u, Economic Planning Minister Choe Kak-kyu, Foreign Minister Yi Sang-ok and Trade and Industry Minister Yi Pong-so before returning Sept. 13.

Belorussia has advocated, and always will advocate, perestroyka, and is in the middle of a transition toward a free market economy, Kebich said.

Presenting a number of alternatives to strengthen economic cooperation with Korea, Kebich said one idea under consideration was opening an independent trade representative in Seoul.

First, however, Belorussia would work through the Soviet Embassy in Seoul to develop relations with Korea, he said.

All areas of science and technology were promising areas for joint projects, Kebich said.

Stressing that he had come as the prime minister of a republic that has announced its independence from the Soviet Union, Kebich said Belorussia was prepared for direct negotiations with foreign businesses.

Firms Sign Medical Agreement With USSR

SK0609010191 Seoul YONHAP in English 0019 GMT 6 Sep 91

[Text] Seoul, Sept. 6 (YONHAP)—South Korea's general trading companies affiliated with Samsung, Hyundai, Daewoo and Lucky-Goldstar signed a blanket sales contract Thursday with the Soviet Medexport Corp. for 22 million U.S. dollars of medical supplies.

The export deal, tied to Seoul's 800 million-dollar loan to Moscow for the purchase of consumer goods, calls for the first shipment in October.

"Medical goods have emerged as an urgent supply item to the Soviet Union, so we hurried up with the contract," an official at the Korean Medical Association said.

Companies Turn to PRC After USSR Upheaval

SK0609034691 Seoul THE KOREA HERALD in English 6 Sep 91 p 6

[Text] Korea's general trading companies turned to China following the upheaval in the Soviet Union, sending top executives on trips to Beijing and making plans to open branch offices there, trading sources said yesterday.

Samsung Co., trading arm of the Samsung Group, sent off a high-powered delegation Wednesday led by company chairman Sin Hyon-hwak. Sin will hold talks with Chinese Communist Party Secretary-General Jiang Zemin and former Foreign Minister Huang Hua and tour Beijing, Tianjin, Shanghai and Dalian.

Also on the team are Sin Se-kil, president of the company, Song Chae-hak, president of Samsung Heavy Industries Co., and Kim Tong- sung, head of Samsung Economic Research Institute.

Daewoo Corp. opened a branch office in Beijing in August 1988, the first by a Korean company, and plans to add branches in Guangzhou and Hangzhou this year. It already has branches in Giangdao, Shanghai and Dalian.

Daewoo's goal is to make $350 million of trade with China this year, up 32 percent from last year's $265 million.

Lucky-Goldstar International Corp. will open a branch in Dalian and has a goal of $500 million in trade, up 28 percent from 1990, the sources said.

Sunkyung Ltd. opened a second branch in Dalian Monday and has one in Beijing. It plans to add offices in Shanghai and Qingdao by the end of the year.

Sunkyong hopes to increase trade with China to $450 million from $220 million last year, according to the sources.

Hyundai Corp. tried to sell a plant to China when a delegation led by Chong Chu-yong, founder of the Hyundai Group, visited in July.

Ssangyong Corp. plans to open offices in Qingdao and Tianjin, and Hyosong Co. to open an office in Dalian this year.

China Said Increasing Calls for ROK Investment

SK0609020491 Seoul THE KOREA TIMES in English 6 Sep 91 p 9

[Text] China is increasing its calls upon small and medium Korean business concerns to invest in it.

According to the Small and Medium Industry Promotion Corporation, as relations between Seoul and Beijing improve, so does Chinese efforts to expand business cooperation with small and medium domestic enterprises through joint investments and technical ties-up.

The corporation said that Chinese requests for investment by small and medium Korean industries totalled 620 during the first eight months of this year.

In particular, China is calling upon them to invest in the fields of electronic toys, printed circuit boards and leather product processing.

The investment requests are mostly concerned with China's special economic zones where foreign investors receive various tax and financial incentives.

The corporation attributed China's increase in request to improving economic relations between Seoul and Beijing since the exchange of trade representatives.

Korea and China do not have diplomatic ties.

Citing that Seoul and Beijing are about to sign various agreements including those on the avoidance of double taxation and investment guarantee, the corporation predicted that Chinese requests for investments will increase in light of its economic situation.

Bilateral Aviation Pact Signed With Mongolia

SK0609100191 Seoul YONHAP in English 0904 GMT 6 Sep 91

[Text] Seoul, Sept. 6 (YONHAP)—South Korea and Mongolia have agreed to sign a bilateral aviation accord on direct flights when Mongolian President Punsalmaagiyn Ochirbat visits Seoul in mid-October, the Transportation Ministry said Friday.

A Ministry official said the two countries agreed on the basic content and air routes in talks in Ulaanbaatar from Monday through Wednesday [2-4 September].

A direct air service will enable Korean airliners to cut their flying time between Seoul and Europe by 90 minutes, but will have to wait until South Korea and China reach a bilateral aviation accord permitting the use of Chinese airspace.

Libyan Industries Minister Arrives for Visit

SK0609020191 Seoul THE KOREA TIMES in English 6 Sep 91 p 9

[Text] Jadallah 'Azzuz al-Talhi, Libya's strategic industries minister, arrived here yesterday to promote economic and trade cooperation between Seoul and Tripoli.

Coming at the invitation of Trade-Industry Minister Yi Pong-so, he leads a 10-member delegation and will stay until Sept. 10.

Today, he will meet with Yi at the ministry to discuss ways of expanding bilateral economic cooperation.

During the meeting, Yi is expected to call upon Libya to award phases three, four and five of the construction in its Great Man-Made River Project to Dong Ah Construction. The three phases amount to $5.8 billion.

Dong Ah recently completed phase one of the mammoth project worth $3.6 billion.

It was also awarded phase two worth $4.6 billion by the Libyan government and has been working on it since June last year.

In the meantime, Yi will ask Libya to settle its $230 million outstanding account with Korean construction companies as soon as possible.

He will also call upon Libya to reduce social welfare tax levied on Korean workers active in the project. At present, they pay 9 percent of their incomes as social welfare tax to the Libyan government.

In consideration of the nation's meager exports to Libya, Yi will ask the African country to allow Korean trading companies to set up branches in it.

According to statistics from the ministry, trade between Korea and Libya amounted to $100.237 million during the first half of this year.

Specially, exports to Libya rose 108.8 percent from the year before to $96.947 million and imports from it decreased 70.4 percent to $3.290 million.

Last year, bilateral trade recorded $140.372 million with $129.162 million in exports to Libya and $11.210 million in imports from it.

North Applies for IAEA Board of Governors

SK0609100891 Seoul YONHAP in English 0959 GMT 6 Sep 91

[Text] Berlin, Sept. 6 (YONHAP)—North Korea has made known its candidature for a seat in the International Atomic Energy Agency (IAEA) Board of Governors to be vacated by the Philippines, whose two-year term of office expires this year, diplomatic sources in Vienna said Friday.

The North Korean Government has sent letters to IAEA member countries to solicit their support for its bid to join the Board of Governors, sources said.

They, however, said it was not certain whether North Korea would win a seat in the board as it has to compete with other candidates.

A new Board of Governors is to be formed in the general meeting of the Agency to held from Sept. 16.

North Korea and the Agency agreed on a standard nuclear safeguards agreement last month, which will be formally signed after being approved by the IAEA Board of Governors.

Advisory Board Recommends Reunification Policy

SK0609063191 Seoul YONHAP in English
0527 GMT 6 Sep 91

[Text] Seoul, Sept. 6 (YONHAP)—The 21st Century Committee, a presidential advisory panel, advised against trying to reunify the Korean peninsula by "force or absorption" Friday and recommended "peaceful, gradual steps" on the basis of national consensus.

"The reunification formula should be designed to contribute to post-reunification national development. The process of reunification should be effectively managed to ease the pains stemming from national division and to minimize political, economic and social confusion," the committee said.

To enhance the environment for reunification, inter-Korean exchanges should be expanded to narrow gaps in ways of thinking and living between the divided halves, it reported to President No Tae-u.

Security, legal, political, economic, social, administrative and educational systems should be adjusted in preparation for reunification, said the committee headed by Yi Kwan.

In mapping out a new security system, the government should consider the regional security system in Asia and the Pacific, development of the South Korea-U.S. alliance, and restructuring of military power and combat capability for a post-reunification era, the committee said.

International cooperation was essential for denuclearization of the Korean peninsula and the government needed a firm nuclear policy, the committee said.

It advised that the government should seek economic integration with North Korea on a step-by-step basis through gradual expansion of direct trade, cooperation in investment and industrial development, and economic restructuring.

Pyongyang, with all its political and economic difficulties and the opening of communist states, would have to adapt to the new reality, and a better environment was forming for inter-Korean cooperation owing to Seoul's successful nordpolitik and the joint admission of both sides to the United Nations later this month, it said.

DPRK Exports to Japan on First Direct Flight

SK0509131291 Seoul YONHAP in English
1216 GMT 5 Sep 91

[Text] Tokyo, Sept. 5 (OANA-YONHAP)—North Korea delivered 7 tons of pine mushroom for the first time Thursday on a direct cargo flight to Japan.

Tokyo and Pyongyang, while holding talks for diplomatic normalization, recently agreed on direct air service. Flight services from North Korea had to stop over at Beijing before the agreement.

The North Korean charter plane, Soviet-made Ilyushin, arrived at Nagoya airport with the mushrooms. Pyongyang is reportedly planning to export some 100 more tons during September in about 15 delivery flights.

The direct service cuts delivery time by two days.

Group of 77 Members Leave for Pyongyang Meeting

SK0609022491 Seoul THE KOREA TIMES in English
6 Sep 91 p 1

[Text] A South Korean delegation left yesterday for Pyongyang to attend the Asian ministerial meeting of the Group of 77 to be held in the North Korean capital Sept. 7-12.

The delegation, led by vice Foreign Minister Yu Chong-ha, will travel to Pyongyang via Hong Kong and Beijing as North Korea refused to allow the southern delegation to enter through the truce village of Panmunjom.

The delegation is composed of Pak Su-kil, ambassador to Geneva, and ranking officials from the Economic Planning Board and other economic ministries.

During their stay in Pyongyang, southern delegates are expected to contact North Korean authorities on economic exchanges and other forms of cooperation, government officials said.

In particular, South Korea's participation in the establishment of the planned special economic zones in northern North Korea might be discussed, they said.

South Korea is a founding member of the group which was formed when 77 countries adopted a joint statement at the first general meeting of the U.N. Conference on Trade and Development (UNCTAD) in 1964. North Korea joined the group in 1976.

At the Pyongyang conference, South Korean delegates will explain their government's plan to assist developing countries, the officials said.

The southern delegation will also declare the government's readiness to promote regional economic cooperation among countries in Asia.

The Group 77, which aims to promote economic cooperation among developing countries, now has 128 member countries.

The group of 77 ministerial meetings are held before the general meeting of the UNCTAD convened every four years. The foreign ministers also meet before the opening of the U.N. General Assembly.

Schools Ask Permission To Invite North Students

SK0609093991 Seoul YONHAP in English
0927 GMT 6 Sep 91

[Text] Seoul, Sept. 6 (YONHAP)—The student unions of Yonsei and Korea Universities in Seoul applied Friday for government permission for their contact with North Korean nationals in connection with their plan to invite 500 North Koreans, including students of Kim Il-song University.

The student bodies held a press conference a few hours before filing the application and proposed to North Korea's Korean Student Committee to have a working-level meeting at 1 p.m. at the truce village of Panmunjom on Sept. 17.

The students of the two private schools are planning to invite North Koreans to a joint festival, dubbed " '91 Yon-Ko National Liberation Festival."

Steps To Reduce Account Deficit Outlined

SK0509034691 Seoul THE KOREA TIMES in English
5 Sep 91 p 1

[Text] Banks will be banned from obtaining overseas loans with a repayment maturity of one year or more until the end of this year in a bid to reduce the current account deficit.

Banks were also ordered to lower the amount of foreign loans they arrange for importing production facilities—from the current 60-100 percent of the value of the import to 40-90 percent—to curb excessive imports of facilities.

Beneficiaries of preferential foreign exchange loans provided by domestic banks will be reduced on a selective basis.

For example, non-manufacturing firms importing facilities will be excluded.

These and other measures are contained in a comprehensive program aimed at reducing the current account deficit which continued to grow these days. The program was drawn up at an economic ministers' meeting presided over by Deputy Premier-Economic Minister Choe Kak-kyu yesterday.

The trade deficit chalked up $8,778 million for the first eight months of this year, rising above the government targeted forecast of $8 billion for the entire year.

The program said foreign bank loans amounted to $3.1 billion in the January-August period of this year, contributing to the increasing current account deficit.

As another short-term measure, crude oil stocks will be cut by some 10 million barrels to 28 million barrels to restrict excessive imports of petroleum.

State-run banks will be encouraged to lend money to manufacturing firms who use locally-made machinery instead of foreign machinery.

As of July this year, 2,000 billion won or 53 percent of the projected loan of 3,800 billion won for this year has been released.

The government also plans to actively seek a trade agreement with China to boost exports to the country.

Red tape will be trimmed to attract foreign investment and technology such as expansion of business lines subject to simple procedures for foreign investment.

Lottery sales for new apartments will be shelved until the end of this year in regions where 100 or more apartments in a complex have not been sold by the end of August.

Administrative guidance will be handed down to constructors, who have already gained construction permits on condition that their construction begins this month, to postpone the start until the end of this year.

An official of the Economic Planning Board said the some 2.6 million square meters equivalent to 25,000 apartments with a floor space of 99 square meters per unit will be postponed.

Financial institutions will be empowered to tighten liquidity control functions so that the total money supply growth will be pegged at 17-19 percent targeted for this year.

The government also plans to strongly push ahead localization of machinery in the seventh five-year plan period (1992-96) based on the analysis of the first phase period (1987-91).

Foreign Exchange Deals Eased for Overseas Firms

SK3108025991 Seoul YONHAP in English
0206 GMT 31 Aug 91

[Text] Seoul, Aug. 31 (YONHAP)—Overseas subsidiaries of South Korean companies may borrow up to 5 million U.S. dollars from foreign and Korean financial institutions without the approval of their prime creditor bank from Sept. 16, the Finance Ministry said Saturday.

Also Sept. 16, the ceiling for offshore financing for Korean general trading companies and other business operations abroad will be raised to 50 percent of their sales outside the countries where they are based during the previous 12 months or 130 percent of trade between the overseas operations and their headquarters in Korea.

At present, Korean subsidiaries abroad can receive 1 million dollars in offshore financing without the permission of their prime creditor banks.

A ministry spokesman said the expansion of offshore financing was designed to invigorate overseas businesses and ease financial difficulties.

Currently, the ceilings are 30 percent for manufacturing companies and 40 percent for general trading companies or 100 percent of exports between overseas outlets and their headquarters .

Under revisions to the foreign exchange management regulations to streamline overseas transactions, the maximum export prepayment will be expanded from the present 5 percent of the previous year's exports for 10 percent, also Sept. 16. The expansion is aimed at strengthening export support for small- and medium-sized companies, the ministry said.

Also to support small- and medium-sized companies' performance abroad, the ministry will allow them to use any kind of settlement for exports of up to 20,000 dollars without central bank approval. The current ceiling is 10,000 dollars.

To curb extravagant overseas travel, those who use credit cards excessively abroad will face tough restrictions, but Korean emigrants may get additional remittances from home within a year of being certified as emigrants.

Those who spend over 5,000 dollars a month abroad with credit cards will be banned from using the cards abroad. If they are found to have used the cards despite the ban, they will be prosecuted upon returning home.

On Sept. 2, the ceilings on the daily fluctuating gap of telegraphic transfer (T/T) buying or selling rates applied by foreign exchange-dealing banks to customers will be raised from 0.4 percent of the basic rate to 0.6 percent.

For T/T foreign exchange transactions of less than 100,000 dollars, the 0.4 percent limit will be applied as in the past, under the government's intention not to drastically increase the burden on small- and medium-sized firms.

Beginning Sept. 16, Korean overseas construction companies will be able to use offshore financing amounting to 60 percent of each contract against the current 35 percent, the ministry said.

The measures are designed to ease the financial burden stemming from deferred payments and outstanding amounts.

The revisions are a second package of measures aimed at easing foreign exchange dealings for South Korean companies.

In July, the ministry allowed firms whose external turnover is 10 million dollars or more a year to deposit up to 10 percent of that amount in a foreign bank in a foreign currency and to buy or sell foreign currency within that limit without filing a certificate of actual demand for a foreign exchange transaction.

Diplomatic Missions Urged To Help Expand Export

SK0509122291 Seoul YONHAP in English
1201 GMT 5 Sep 91

[Text] Seoul, Sept. 5 (YONHAP)—The government instructed Thursday all diplomatic missions abroad to seek ways to help expand merchandise exports to their host countries.

The diplomatic missions were asked to consult with private businesses on measures to expand exports to their host countries and prevent trade frictions from occurring.

A senior Foreign Ministry official said, "The nation is now facing a pressing need to strengthen its economic diplomacy in the face of growing deficit in international payments."

Labor Costs Blamed for Shipping Uncompetitiveness

SK0609024091 Seoul YONHAP in English
0205 GMT 6 Sep 91

[Text] Seoul, Sept. 6 (YONHAP)—South Korean shipbuilders are becoming uncompetitive because of their high labor costs and frequent unrest, the Korea Shipbuilders Association [KSA] said Friday.

Korean shipyards won 611,000 tons less in export orders than did Japanese yards in 1987, but the gap had grown to 5.4 million tons last year, 11.14 million tons to 5.73 million tons, KSA said.

Korea's share of the international shipbuilding market was 30.2 percent, compared with Japan's 34.7 percent, in 1987, but it was 23.8 percent last year. In the first half of this year, the rate fell to 12.3 percent.

Japan's share surged to 46.3 percent last year and 48.2 percent in the first half.

While Korean shipbuilders were suffering from labor disputes, Japanese yards promoted technology and earned orders for high-added-value vessels, KSA said.

Garment Company To Build Factory in Indonesia

SK0509041991 Seoul YONHAP in English
0225 GMT 5 Sep 91

[Text] Seoul, Sept. 5 (YONHAP)—Shu Kwang Corp., a leading South Korean garment company, will build a 2 million-dollar sewing factory in an industrial complex near Jakarta, sources said Thursday.

The planned factory will have eight sewing lines and begin operation in March next year, they said.

Shu Kwang will relocate its Korean production facilities to the Jakarta factory, which will turn out 500,000 raincoats and similar items a year for sale in the United States and Europe, the sources said.

The company built a sewing factory in Indonesia in November last year to make jackets, all for export.

Economic Ministers Urged To Regain Public Trust

SK0609012091 Seoul YONHAP in English
0038 GMT 6 Sep 91

[Text] Seoul, Sept. 6 (YONHAP)—President No Tae-u rebuked his economic ministers Thursday for making light of South Korea's economic difficulties and demanded they come up with short- and longer-term measures to restore public trust in government policies.

"It was wrong to predict the year's trade deficit at around 3 billion U.S. dollars. It was wrong to promise this to the people. Now you economic ministers, including the deputy prime minister, should work out and implement short- and longer-term measures in a consistent manner to restore public trust," No said.

"The economic team has taken the current economic situation rather lightly, but the people don't feel that way... You must be responsible for the pledges you have made to the people. I don't mean you should resign, but you should work harder with a greater sense of responsibility."

No told them to stop blaming the weather and vacations for inflation and map out realistic measures to control it.

Civil servants had to set an example for the national frugality campaign by neither giving nor taking gifts at Chusok, a full-moon harvest festival on Sept. 22, No said.

During the meeting, senior presidential secretary for economic affairs Kim Chong-in reported to No that retail prices would rise less than 10 percent this year despite having climbed 8.3 percent during the first eight months as prices of real estate and manufactured goods had stabilized.

To curb the trade deficit, tallied at 8.7 billion dollars at the end of August, the government would reduce foreign currency loans, he said.

Economic Ministers Plan To Control Inflation

SK0609105691 Seoul YONHAP in English
1006 GMT 6 Sep 91

[Text] Seoul, Sept. 6 (OANA-YONHAP)—South Korea's economic ministers on Friday sought emergency measures to tighten the country's money supply and calm down heated domestic demand to rectify alarming trade deficit and inflation.

Deputy Prime Minister Choe Kak-kyu led the hastily-called afternoon meeting the day after President No Tae-u blamed his economic leaders for the failing policies and ordered for comprehensive solutions.

No's instructions were made after January-August trade deficit registered 8.7 billion U.S. dollars, nearly three-times the projected figure for the entire year at the beginning of 1991.

Retail prices have also risen 8.3 percent, threatening the government goal to keep inflation at single digit.

The government and the ruling party are to hold another meeting Saturday, and Choe is to call economic ministers' meeting sometime next week to chart out specific plans.

Much of Friday's discussion aimed at tightening the fund supply through rigidly controlled investment and consumer loans while reenergizing exports, according to government officials.

While keeping the original money supply plan of 17 to 19 percent, the government will aim nearer to 17 percent line, possibly lower, officials said.

Some government-financed projects will be delayed to next year, and expenditures will be kept at minimum.

Housing supply may be reduced to let air out of heated construction boom, officials said.

Banks will be instructed to limit private loans that may increase consumer spending.

In rectifying the trade deficit, the government will reenergize export activities rather than restrict imports to prevent possible trade friction with other countries.

To prevent another price jump during Chusok (Full Moon Festival) this month, the government will keep tab on consumer prices and release its stock for products that falls short of demand.

Public utility fees will be frozen until the end of the year, and service fee increase will be kept minimal, officials said.

Government on Private Capital in Infrastructure

SK0609095291 Seoul YONHAP in English
0754 GMT 6 Sep 91

[Text] Seoul, Aug. 6 [date as received] (OANA-YONHAP)—The government is firmly opposed to the idea of using private capital in the infrastructure sector, Kim Chong-in, senior presidential secretary for economic affairs, said Friday [6 Sep].

Construction of roads, railways, power stations and other infrastructure was not the realm for private money and should be financed out of government coffers, Kim told a breakfast meeting sponsored by the Korean Newspaper Editors' Association.

The proposed use of private capital in the public services sector became a point of heated contention in and out of the government after it was aired by the presidential task force for social overhead capital investment planning Wednesday.

The presidential task force said it was drafting a bill that is designed to encourage private enterprizes to invest in the public services. The proposal immediately brought bitter criticism that it was designed to give favors to conglomerates and was tantamount to adding fuel to the fire of real estate speculation. Send it to the National Assembly this fall.

Kim said the bill was nothing more than a tentative draft by working-level officials trying to secure capital for financing infrastructure construction and the government would never go through with it.

The 22-article bill would have allowed companies to build roads, railways, airports, harbors, power stations and other infrastructure facilities on city-, province- or state-owned land.

They would have been able to charge for use of the facilities and have been exempted from provincial taxes and the tax on profits from real estate and been free from government control on bank loans.

Kim said he thought the government could keep inflation under 10 percent, although there is doubt about the goal because retail prices rose 8.3 percent in January-August, if there were no major changes in the economic situation.

The government might take additional measures to improve the international balance of payments deficit, but the economic difficulties facing the nation were not due to temporary business conditions and stemmed from systematic problems so policies to strengthen competitive power in manufacturing should be carried out steadily, he said.

The government would not even consider measures such as the increasing money supply, Kim said.

Yonsei Professor Plans New Political Party

SK0409075391 Seoul THE KOREA TIMES in English 4 Sep 91 p 2

[Text] Kim Tong-kil, a former professor at Yonsei University, is seeking to create a new political party this fall under the banner of egalitarianism.

The outspoken historian said in a recent interview with a Seoul daily that he would "hoist the flag of ideological politics in order to realize equality in society.

However, the 62-year-old political novice flatly denied rumors that he was seeking to found a "new opposition" party with former politicians.

He explained that the envisioned progressive party's ideologies would be the implementation of the use of real names in all financial transactions, the state's management of land and expulsion of "black money" in politics.

"I am determined to launch a 'campaign to live together' along with people who think social inequality is morally wrong," he said.

This social drive, the scholar said, would develop into a political force.

He said that he has no intentions of joining hands with former politicians because he is so disillusioned by their "political manners."

"Most incumbent politicians do not listen to the people's opinion, but seem only concerned of promoting their vested rights," he said.

He made it clear that his new party would compete in the next parliamentary elections to be held next spring, so the basic framework of its platform would be unveiled around the end of October or early November.

He said he expects that people of "the same idea" will gather around the banner and the party will be run by them, not by "personal charisma."

The former professor was in the spotlight prior to the 1987 presidential elections by "recommending" that the "three Kims" (who were defeated by No Tae-u) retire from politics.

The three Kims, who survived the humiliating defeat, are Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party; Kim Tae-chung, president of the opposition New Democratic party; and Kim Chong-pil, co-chairman of the DLP.

He observed that the merger of the current opposition parties would be impossible. He also said that the people would not support the move by some leading figures of the Fifth Republic (led by former president Chon Tu-hwan) to found a new party.

Cambodia

Gold Trade Suspended To Stabilize Riel

BK0609070891 Phnom Penh SPK in English 0438 GMT 6 Sep 91

[Text] Phnom Penh SPK September 6—The government of the State of Cambodia has suspended the trading of gold and precious gem stones at free markets as a measure to stabilize the "riel" value in the country.

A circulation [as received] issued by the Council of Ministers stipulated that gold-smiths throughout the country could be entitled to resume their business after undertaking in writing to stick to the gold price fixed by the National Bank of Cambodia.

At the same time, they must deposit their capital at the bank for yearly interest.

The price of gold and the exchange rate of the riel and the dollar fluctuated sharply last month. The price of gold jumped from 460,000 riel for one tael of gold to around 600,000 riel in mid- August.

Anyway, it dropped to around 500,000 riel for one tael of gold late last month when the government decided to suspend the trading of gold and precious gem stones at free markets.

SNC Delegation Leaves for Group of 77 Meeting

BK0609113091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 6 Sep 91

["Communique of the Foreign Ministry of the State of Cambodia"—read by announcer]

[Text] A State of Cambodia's Supreme National Council [SNC] delegation, led by SNC member His Excellency Im Chhunlim, left Phnom Penh on 6 September to attend the ministerial meeting of Asian countries of the "Group of 77" to be held from 10 to 12 September in Pyongyang, DPRK.

Countrywide Flood Damage Reported

Damage to Railway Lines

BK0509065291 Phnom Penh SPK in English 0429 GMT 5 Sep 91

[Text] Phnom Penh SPK September 5—The need for restoration of the railway lines destroyed by the recent flood in the southwestern region of Cambodia is estimated at nearly 6.4 million U.S. dollars, said an official of the Ministry of Posts, Transport and Communications.

The railway lines are being temporarily restored by the Ministry with its fund of 20 million riel. The work would take at least two months, the official said.

Downpours in central high-lying regions in mid-August inundated four provinces (Kampot, Takeo, Kompong Speu and Kandal), a part of Kompong Som City, and several suburban districts of the city of Phnom Penh.

Floods have caused losses of lives and several billion riel in damage including transportation routes, houses and rice crops.

In Kompong Som, a 23-km portion of the Phnom Penh-Kompong Som railway line and two water-pipe sections on the route were destroyed by flood, according to the official.

Two portions of the same railway line in Kampot Province totalling 2 km were damaged and three water-pipe section as well as several tele-communication posts along the route broken.

A 250-metre railway part in Kandal Province was completely washed away together with three bridges, the official said.

Only the railway line from Phnom Penh to the northwestern province of Battambang remains safe from flood and the service there goes on as usual, he said.

Floods in Kratie Province

BK0509054291 Phnom Penh SPK in English 0421 GMT 5 Sep 91

[Text] Phnom Penh SPK September 5—The northeastern riverine province of Kratie has been affected by floods as the Mekong River swelled quickly during the past five days.

The water level rose from 21.78 metres on August 24 to 22.18 metres on August 26, said an official of the agriculture service of the province.

Traffic between the district's town of Sambo and the provincial town is interrupted as the road has been submerged and four bridges on the road washed away.

Hundreds of houses near the provincial town were destroyed, he said.

In Koh Troung Commune, Kratie District, 50 houses were wrecked and the whole rice growing area waterlogged.

Floods destroyed 4,400 ha of rice, including 1,600 ha in Chhlong District, 2,400 ha in Sambo District, and the rest in Kratie District.

Losses of cattle were also high, the official said.

Cadres of the provincial people's committee have donated urgent aid to the victims and called on all charity people to give a helping hand.

Agriculture, Infrastructure Losses

BK0509062291 Phnom Penh SPK in English 0424 GMT 5 Sep 91

[Text] Phnom Penh SPK September 5—Flood victims in Kompong Speu Province have received more than 43 million riel (about 43,000 U.S. dollars) worth of consumer goods, household utensils, clothes and farm tools as relief aid from local and foreign charity individuals and organizations.

The relief aid was distributed to the victims in the province's seven districts during the week ending August 28, according to the provincial flood relief commission which coordinated the relief campaign with different services of the government.

The flash flood which submerged parts of the seven districts for four days, caused serious damage to the local population. Ten persons died and ten others were missing.

More than 6,000 families lost their dwellings and nearly 17,000 ha of rice were destroyed by the inundation, according to the commission. The farmers also lost 205 head of cattle, 6,000 pigs, thousands of poultry and more than 7,000 tonnes of paddy and rice. Also destroyed were 70 dams and dykes, two canals, eight bridges and the communication network in the provincial town.

The province lost more than 30,000 litres of gasoline, 17,000 litres of mazout, 7,500 litres of kerosene worth nearly five million riel.

Besides, public buildings and a large quantity of materials and goods valued at 30 million riel were also destroyed or damaged.

Moreover, the flooding, one of the worst for decades, also destroyed 9,800 ha of rice and a large number of animals in Kandal Province.

In the suburban districts of the city of Phnom Penh 5,000 ha of rice were affected by the lashing flood.

According to latest reports, apart from Takeo and Kampot Provinces, which were partly submerged by the flood water, Kompong Cham Province was also subjected to the inundation. Seven districts and the suburban district of the provincial town were under flood water thus rendering 10,000 farmer families homeless and damaging 80 percent of their rice fields.

Rice Seeds for Flood-Affected Provinces

BK0609082091 Phnom Penh SPK in English 0442 GMT 6 Sep 91

[Text] Phnom Penh SPK September 6—The Ministry of Agriculture has contacted various provinces for supplying 5,000 tons of rice seed to the flood-affected areas.

The rice seed is expected to be obtained from the provinces of Prey Veng, Svay Rieng and Kompong Chhnang and will be channelled to the provinces of Takeo, Kampot, Kompong Speu, Kandal and Phnom Penh city, which were recently affected by serious floods after heavy rains in mid-August.

The provinces of Takeo and Kampot need 3,200 and 1,600 tons respectively, while the provinces of Kompong Speu and Kandal and Phnom Penh city need 400 tons each.

The flood, which descended from "Aoral" mountain, caused losses of lives and destroyed 70,500 ha of rice, many bridges and dikes. In this natural catastrophe, 200 head of cattle, 5,800 pigs and 18,000 poultry were killed, without counting losses in the provinces of Takeo and Kampot, the ministry said.

Aspects of Cambodian Solution Examined

BK0609021591 Bangkok BANGKOK POST in English 6 Sep 91 p 4

["Cambodian Diary" by Jacques Bekaert]

[Text] When Prince Norodom Sihanouk and Prime Minister Hun Sen met privately in Jakarta last June and came out with an unexpected agreement, few people believed it would last long or mean much. Sihanouk and Hun Sen, most observers said, had agreed in the past and the accords never lasted more than a few weeks. Remember Fere-en-Tardenois, remember Jakarta, remember Tokyo, they said.

Three months later, we are closer to a comprehensive solution than ever before. In 1979, Vietnamese Prime Minister Pham Van Dong, in an interview with French television, proclaimed Prince Sihanouk a "finished man' (Un homme fini). Twelve years later this "finished man" is about to make an official visit to Hanoi, where he will be received with the honour due to a head of state.

Twelve years ago, Vietnamese officials declared that the situation in Cambodia was "irreversible." We all said or wrote things that today are contradicted by events. There is no shame there, but it shows that indeed one should never say never when it comes to politics.

In September 1991 what looks "irreversible" is the peace process. Could we be wrong once again?

Probably not, and here is why.

There have been dramatic changes in the international environment. Communism has practically vanished from Eastern Europe and the USSR. It means that Phnom Penh will not receive any assistance based on ideological links from Europe. The Soviet Union, more than any other country, helped build the Cambodian People's Armed Forces, providing training and materials. More than 200 tanks, for instance. It is now over.

I doubt the Russian parliament will be anxious to provide further credit for the construction of a printing plant for the People's Revolutionary Party of Kampuchea's official organ, "Pracheachon." As one Soviet official put it recently, "By the time the plant is ready, there will probably be no party paper anymore."

On the other hand, with the end of the great anti-communist crusade, the West finds little motivation in continuing support for the so-called non-communist resistance. Neither the Khmer People's National Liberation Front nor the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia] and their armies can expect more aid in the future. Even in the past their main backers—ASEAN, the United States and a few European nations—were so shy they would deny the obvious rather than admit that they provided the nationalist resistance with anything but medicine and biscuits.

Tfhe time for ideological war is over, at least for the time being. Communism as a threat is now less dangerous than Bangkok traffic.

Vietnam and China are busy falling into each other's arms. China, offended by Hanoi's invasion of Democratic Kampuchea, and determined to stop Soviet influence in the region, offered millions of dollars to the Khmer Rouge and a bit less to the two other resistance groups. There is no need to stop Soviet influence anymore.

Vietnam probably used to have a few wild dreams about a great Indochina under its moral and political leadership. The violently anti-Vietnamese attitude of the Khmer Rouge while in power did little to deter Hanoi from acting to remove what it saw as an erratic and dangerous client from Beijing, and a direct threat to its own national security.

Today, as the last true guardians of the Marxist-Leninist faith, China and Vietnam have to learn to live together, to assist each other so they can demonstrate that socialism, prosperity, happiness, productivity, quality control and good times can roll all together under the red banner. Why should then a minor inconvenience like Cambodia stand on the way of normalisation?

The rapprochement between Hanoi and Peking is probably a major factor supporting the present optimistic conviction that Cambodia is finally on the verge of peace.

Obviously a special agreement was worked out during the July visit to Beijing by General Le Duc Anh, the No.2 man of the Vietnamese Communist Party's new politburo, and Mr Hong Ha, a member of the secretariat of the Seventh Party Central Committee. What agreement exactly? It seems that even Deputy Foreign Minister Nguyen Dy Nien, arriving in China a few days after Gen Le Duc Anh's visit, was not offered a full explanation. He talked mostly of bilateral matters with his Chinese counterpart—like air, rail and sea links—but very little about Cambodia.

A few sources claim that China offered Hanoi $1 billion in aid, in exchange for flexibility on Cambodia. The money will be distributed over a period of five years. Vietnam is in such need of funds that, if true, this was an offer it could not refuse. China apparently promised that Pol Pot, Ta Mok, Ieng Sary and probably a few other Khmer Rouge leaders would be taken care of by Peking, and stay out of Cambodia. In exchange, Hanoi would encourage Phnom Penh to stop talking about an international tribunal for the "genocidal clique" and accept a certain political role for the "new" Khmer Rouge.

If the international and regional factors cannot be minimised in the positive atmosphere encouraging a full political settlement, the Cambodian factors cannot be ignored either.

All factions face growing problems, with less money and more defections. With the foreign sponsors withdrawing from the game, the Cambodian factions are fast running out of money. There is no great cause left, and nobody is willing to spend much money on a war that makes little sense. The armies on both sides are in various stages of collapse, and the good news from Phatthaya should convince even more soldiers that there is absolutely no reason to die in a conflict that nobody wants anymore.

Prince Sihanouk, still the key actor of the drama, is back at the centre and is determined to make peace work. He has everybody's blessing in this new crusade. In Jakarta, in Peking and in Phatthaya, he demonstrated that he could be neutral, with his diplomatic skills intact. Sihanouk needs Cambodia. It is the absolute passion of his life. But it is clear also that Cambodia needs Sihanouk more than ever. And in Phatthaya at least the leaders of each faction were willing to compromise. They understood, it seems, that a solution to the conflict was more important than personal gain.

There is still a great deal of suspicion between the various factions but it was encouraging to see that in Phatthaya the social interplay between the Khmer players was slowly moving away from factional allegiance to personal exchanges.

Can the whole process collapse? Yes, but it is unlikely. Not everybody is happy about the negotiations. Some individuals have a lot to lose from a political solution. And nobody, I hope, is suggesting that signing a satisfactory agreement in Paris next October or November will solve everything.

Cambodia is a very sick country, and it will need a lot of attention in the near future. And a lot of protection from domestic and foreign greed. The dangers of peace sometimes appear almost as formidable as the miseries of war.

Sihanouk Asks Factions To Stop Laying Mines

BK0309144691 Hong Kong AFP in English 1154 GMT 3 Sep 91

[Text] Bangkok, Sept 3 (AFP)—All Cambodian forces should stop laying land mines immediately, the country's former monarch Prince Norodom Sihanouk urged on Tuesday.

Prince Sihanouk resigned as leader of the anti-Phnom Penh government guerrilla alliance to take up a neutral position as president of the Supreme National Council (SNC) of representatives of the four warring factions.

Phnom Penh's Vietnam-installed government faces three guerrilla movements dominated by the Chinese-backed Khmer Rouge.

In a statement released here the prince asked all members of the SNC "to urgently issue instructions to the armies of your respective factions in order that they cease forthwith placing ordnance devices in the border and other areas of Cambodia."

Prince Sihanouk also urged the factions "to grant the International Committee of the Red Cross all the necessary facilities in order that they can have access to all prisoners in your custody."

Countless landmines and booby traps have been laid throughout the country in the course of almost 13 years of war.

Regions near the Thai border, from where the three guerrilla factions have operated, are thought to be particularly heavily mined.

Relief workers in the refugee camps just inside Thailand have started a mine awareness programme to warn of the hidden danger awaiting the 350,000 Cambodian refugees who will return to their country through the heavily-mined border regions once peace comes.

Many of the returning refugees will start new lives on land which is currently vacant and could easily be mined, relief workers say.

One relief worker involved in the rehabilitation of landmine victims estimated that more than 500 people a month are killed or maimed by landmines inside Cambodia and along the border.

Phnom Penh Urged To Hand Over Power to UNTAC

BK0609081191 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 6 Sep 91

[Political commentary by Khuon Khemarin: "The Victory of Our National Liberation Cause"]

[Text] During the recent meeting in Phatthaya, the most important result of the meeting was the agreement reached by all Cambodian factions for Cambodia to adopt a liberal democratic system.

Although no consensus on the election system has been reached, the agreement for the Cambodian people to pursue a liberal democratic system constitutes the victory of the Cambodians' struggle for freedoms. This is because freedoms under a liberal democratic system are the fundamental factors for the Cambodian people to decide their own destiny, allowing the Cambodian people—owners of the country—to select a ruling regime that really represents Cambodia and does not depend on any country. That is the goal of our struggle.

Our struggle is not aimed at seizing the power for ourselves as the Vietnamese-installed regime has claimed earlier. But it is in order to give the power to the Cambodian people for restoring Cambodia's independence and sovereignty with territorial integrity.

Our struggle has now reached its final stage. However, in the election to make the final decision, the question of how to ensure a neutral political atmosphere has not yet been clearly settled. It might be dangerous to Cambodia if no neutral political atmosphere is established prior to the election. This is because if the United Nations is not given sufficient power to ensure this atmosphere, the Vietnamese-installed regime would continue to overpower the Cambodian people. If the election is held under such conditions, its result will not emanate from the Cambodian people's will; thus, it will not serve the real interests of the Cambodian people but will only help to legalize a regime which is against Cambodia's independence, sovereignty, and territorial integrity. Thus, the Vietnamese-installed Cambodian faction would use this election result as a pretext for defending and preserving the Vietnamese- installed communist regime in Cambodia. This will be a threat to the future of the Cambodian people and motherland.

At the upcoming meeting of the Coordinating Committee of the Paris International Conference on Cambodia, decision will be taken on handing over the power to the UN Transitional Authority in Cambodia [UNTAC] in order to ensure a neutral political atmosphere in Cambodia prior to the election. To ensure a neutral political atmosphere prior to the election, it is imperative for the Hun Sen group to hand over all necessary power to the UNTAC.

The UNTAC would not be able to ensure a neutral political atmosphere if it does not get sufficient power as defined in the framework document of the big five countries which has already been accepted by all Cambofdian factions. This neutral political atmosphere is a factor ensuring the expression of genuine aspiration by the Cambodian people and the restoration of Cambodia's independence and sovereignty. Therefore, if the Hun Sen group really has the sincerity to restore national independence, it should hand over sufficient power to the UNTAC so that a neutral political atmosphere is ensured.

Laos

Leaders Send National Day Greetings to Vietnam

BK0409115191 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 3 Sep 91

["Text" of joint greetings message from Kaysone Phomvihan, chairman of the Lao People's Revolutionary Party Central Committee and state president; Nouhak Phoumsavan, chairman of the Supreme People's Assembly; and Khamtai Siphandon, prime minister of the Lao People's Democratic Republic, to Do Muoi, general secretary of the Communist Party of Vietnam's Central Committee; Vo Chi Cong, chairman of the Council of State; Vo Van Kiet, chairman of the Council of Ministers; and Le Quang Dao, chairman of the National Assembly of SRV, on the 46th anniversary of SRV's national day; dated 2 September]

[Text] On the occasion of the 46th anniversary of the SRV's National Day, on behalf of the Lao People's Revolutionary Party [LPRP], the Government and National Assembly of the Lao People's Democratic Republic [LPDR], the entire Lao people, and in our own names, we would like to extend warm salutations and best wishes to you, comrades, and through you to the Communist Party of Vietnam [CPV] Central Committee, the Council of State, the Council of Ministers, the National Assembly of the SRV, and all fraternal Vietnamese people.

Forty-six years ago the noble and glorious Indochinese Communist Party, with President Ho Chi Minh at its head, led the heroic Vietnamese people to rise up and carry out struggle. Following the struggle, they won victory in the August revolution and then established the SRV on 2 September 1944. The establishment of the SRV marked the opening of a new era for the Vietnamese people, an era of independence and freedom. It was also considered an event of great significance that encouraged various nations to struggle for freedom and national independence.

Pursuing the said heroic tradition, the fraternal Vietnamese people have resolutely fought and overcome furious trials and difficulties in the cause of national liberation struggle, thereby winning complete victory and achieving national unification in 1975. Since then, promoting and expanding the spirit of independence and self-mastery and the tradition of perseverance and industriousness, the Vietnamese people have won achievements in many fields in the cause of building and defending the country. Noteworthy are the initial, significant achievements scored in carrying out the policy of comprehensive renovation. The said achievements have proved that the renovation policy adopted by the CPV is correct and realistic and serves the aspirations of the Vietnamese people.

We are elated to note that the relations of friendship, special solidarity, and all-round cooperation between our two parties, two governments, and two peoples have been increasingly promoted and expanded. They have served as factors guaranteeing our success in carrying out the cause of national construction and defense.

On this occasion, on behalf of the party, government, and multiethnic people of Laos, we would like to express profound gratitude to the party, government, and fraternal people of Vietnam for having always rendered great support and assistance to our revolutionary cause. We are convinced that under the beacon of the Seventh CPV Congress, the fraternal Vietnamese people will be able to achieve new, ever greater success in the renovation cause in accordance with the guidelines and principles adopted by the party to build Vietnam into a prosperous and strong country.

May the relations of friendship, special solidarity, and all-round cooperation between the two parties, two states, and two peoples of Laos and Vietnam be developed and strengthened with each passing day! We wish you, comrades, good health and success in leading the entire Vietnamese party and people to march forward along the path set forth by the Seventh Party Congress.

On the same day, Phoun Sipaseut, minister of foreign affairs of the LPDR, also sent a message of greetings to Nguyen Manh Cam, SRV foreign minister.

Heavy Flooding Reported in Champassak Province

BK0609110091 Vientiane KPL in English 0915 GMT 6 Sep 91

[Text] Vientiane, September 6 (KPL)—The water level in Champassak Province yesterday rose to an alarming point, 12.54 metres from 10.04 metres at 11 hours on September 3, 1991. This level identical to the one on 28th August caused a flood devastating 17,850 hectares accounting for 25 percent of the entire affected rice fields which have been flooded for the second time [sentence as received].

The planted crops on 80 percent of the flooded areas are likely to be wasted. The most seriously affected areas lie on the bank of the Mekong River.

Champassak is estimated to attain 138,000 tons of rice. As a result, the local residents amounting to more than 100,000 will face three months' rice shortage of 30,000 - 40,000 tons.

The increasing rainfall in the locality in combination with the existing high level of the river has rapidly risen and overflown the bank.

Philippines

Comments, Controversy on Bases Treaty Continues

Mitra Urges Treaty Ratification

HK0209112591 Quezon City MALAYA in English 31 Aug 91 pp 1, 2

[By Jodeal Cadacio]

[Text] Daraga, Albay—Speaker Ramon Mitra Jr. Saturday asked Laban ng Demokratikong Pilipino [Struggle of the Filipino Democrats] [LDP] leaders to crack the whip on recalcitrant LDP senators who are against the ratification of the bases treaty by excluding them from the party's senatorial ticket in 1992.

"What kind of party are we if members do not abide by a position we have already taken in public," Mitra told a press conference after a provincial consultative assembly held here.

He was apparently referring to Senators Heberson Alvarez, Jose Lina Jr., who are still undecided, and Alberto Romulo, who has said he will support the treaty only if the U.S. government helps the Philippines get a substantial portion of its foreign debt condoned by creditors.

Two other LDP senators, Neptali Gonzales and Leticia Shahani, have announced their support for the treaty.

"We (the LDP members) have taken a stand and we expect the members (of the party) to follow the decision," Mitra said, referring to the party's stand favoring treaty ratification.

In September 1989, the LDP adopted a resolution supporting the gradual phaseout of the American military facilities in the country.

Shahani, chairman of the Senate foreign relations committee, expressed hope the LDP will play a vital role in the treaty's ratification.

Asked if she is in favor of Mitra's proposal to exclude anti-base agreement senators in the party's ticket next year, Shahani answered a critical yes.

Sen. Rene Saguisag (LP) [Liberal Party], a leader of the anti-bases bloc, reminded Mitra that the military bases issue should be a "conscience vote," devoid of any partisan considerations.

He chided Mitra for refusing to join the Senate slate in 1987 where he was a sure winner, yet poking his finger now that he is in a different chamber.

"We must respect his preference to be in the House. We must also respect the popular and divine will on who should decide the momentous question before us today without undue and blatantly partisan interference from one who chose to avoid direct responsibility on the question," Saguisag said.

Even then, he said Mitra should be invited to attend the Senate's marathon hearings on the issue, "on the condition that he will argue his case on the merits, and not on the basis of black-mailing his LDP colleagues in our chamber."

Gonzales, LDP president, said Mitra's proposal will be "discussed seriously" in the next meeting of the party's national executive committee, which he heads with party secretary-general Tarlac Rep. Jose Cojuangco Jr.

Former Defense Secretary Fidel V. Ramos, Mitra's rival for the LDP presidential nomination, said there is no reason to campaign against the treaty since "the agreement is for the people and the interest of the entire nation."

Ramos said the compensation aspect is just part of the whole treaty, stressing that it is important for the Philippines to maintain its relationship with the United States.

"Rejection of the treaty will give wrong signals not only to the American government but to neighboring Asian countries. We have a responsibility to share with our neighbors regarding regional security," he said.

Ramos added, "We can not afford to isolate our country from the outside world. We must uphold the interdependence of the global community."

2 Senators Reject Mitra 'Threat'

HK0209134791 Quezon City MALAYA in English 2 Sep 91 pp 1, 2

[By Cris Larano, Jodeal Cadacio and Marie Rose Feliciano]

[Text] Two Laban ng Demokratikong Pilipino [Struggle of Filipino Democrats—LDP] senators yesterday shrugged off the threat of Speaker Ramon Mitra that senators who will reject the new bases treaty will be excluded from the party's ticket in 1992.

Senators Alberto Romulo (LDP) and Jose Lina (LDP), in separate interviews, denied Mitra's claim that the LDP has taken a stand supportive of the new treaty.

Romulo said: "Let him talk his head off. We vote according to our conscience. The people are above the party."

Other developments:

—The Senate foreign relations committee begins today a five-day public hearing on the new bases treaty. Among those who will testify are Vice President Salvador Laurel, Foreign Affairs Secretary Raul Manglapus, and Executive Secretary Franklin Drilon.

—A Malacanang official, who asked not to be identified, said several senators who have expressed reservations on the ratification of the treaty are preparing a recommendation calling for debt relief assistance of more than $1 billion from the United States.

—Sen. Rene Saguisag (LP) said he will endorse presentation of the bases treaty for floor deliberations despite his anti-bases stance. "It is not good policy and unethical to kill the treaty at the committee level," he said.

Romulo earlier said he will vote "Yes" if U.S. President George Bush makes good on a promise to help reduce the country's debt.

Mitra, in a press conference in Albay on Saturday, called on party leaders to exclude from the LDP senatorial list incumbents who will not vote for the ratification of the new treaty which extends the U.S. lease on Subic Naval Base for 10 years.

Mitra said it is the duty of LDP members to abide by party decisions.

Lina said, "What I can recall is that the party's position formulated a few months ago was to keep an open mind on the bases issue and evaluate the treaty after the same is entered into by the Philippine government."

Lina said party members should be allowed to vote according to their conscience. "I will decide on the basis of what is good to the country."

Aside from Lina and Romulo, another LDP senator who has not taken a stand is Sen. Heberson Alvarez.

Sen. Neptali Gonzales, LDP president, and Sen. Leticia Shahani (LDP), chairman of the Senate foreign relations committee, are for ratification.

The committee hearing is expected to touch on the constitutional questions relating to the need for parallel ratification by the U.S. Senate, the provision on the storage of nuclear weapons in the bases and whether the Senate can conditionally ratify the treaty.

Other guests in the public hearing are Ambassador to Washington Emmanuel Pelaez, former Labor Minister Blas Ople, retired Supreme Court Justice Irene Cortes, former Sen. Arturo Tolentino, UP [University of the Philippines] Professor Martin Magallona, and historian Serafin Quiazon.

Lina also urged the U.S. government to present to the Senate as soon as possible a definite and concrete debt relief program because a decision has to be made before the current agreement expires on Sept. 16.

Lina has reacted to Saturday's statement of visiting Rep. Stephen Solarz (D., New York) that the Philippine Senate must first ratify the bases agreement before the U.S. government moves to ease the country's $28 billion debt burden.

The Palace official said the senators' proposal calls on the U.S. government to exert pressure on U.S. commercial banks to grant loans to the Philippines with which to buy back its debt notes.

Last Wednesday, President Aquino sent Bush a proposal for debt reduction following their telephone conversation during which the U.S. president reportedly offered to help reduce the country's debt.

Executive Secretary Franklin Drilon refused to disclose the proposal of Mrs. Aquino, but stressed that the government is seeking "concrete and substantial" debt relief assistance.

Several senators have said they will vote for the treaty if the country gets debt relief similar to that of Poland and Egypt. The Paris Club of government creditors has condoned half of Poland's $33-billion debt, while the U.S. has written off 75 percent of Egypt's $7.1-billion debt.

Council of State Participants

HK0209140891 Manila MANILA BULLETIN in English 1 Sep 91 p 1

[Text] 1. President Corazon C. Aquino
2. Vice President Salvador P. Laurel
3. Senate President Jovito R. Salonga
4. House Speaker Ramon V. Mitra Jr.
5. Executive Secretary Franklin M. Drilon
6. EFA [Department of Foreign Affairs] Secretary Raul S. Manglapus
7. DND [Department of National Defense] Secretary Renato S. de Villa
8. AFP [Armed Forces of the Philippines] Chief of Staff Gen. Lisandro abadia
9. Former President Diosdado Macapagal
10. Sen. Leticia Shahani, Foreign Relations Committee
11. Sen. Ernesto Maceda, Defense and Security Committee
12. Rep. Jose de Venecia, Jr., Foreign Affairs Committee
13. Rep. Jose Yap, Defense and Security Committee
14. Sen. Juan Ponce Enrile, Minority Floor Leader
15. Rep. Salvador Escudero III, Minority Floor Leader
16. Sen. Vicente Paterno, Finance Committee
17. Rep. Margarito Teves, Finance Committee
18. Gov. Roberto Pagdanganan, Governors League
19. Mayor Brigido Simon, Jr., City Mayors League
20. Mayor Renato Reyes, Municipal Mayors League
21. Mayor Richard Gordon, Olongapo City
22. Sen. Neptali Gonzales, LDP [Struggle of the Filipino Democrats]
23. Sen. Aquilino Pimentel, Jr., PDP-LABAN [Filipino Democratic Party-Nation's Strength]
24. Sen. Joseph Estrada, PMP [Party of the Filipino Masses]
25. Sec. Cayetano Paderanga Jr., NEDA [National Economic Development Authority]
26. Sec. Rafael Ileto, NSC [National Security Council]
27. Sec. Jesus Estanislao, DOF [Department of Finance]
28. Sec. Ruben Torres, DOLE [Department of Labor and Employment]
29. Sec. Guillermo Carague, DBM [Department of Budget and Management]
30. Hon. Jose Cuisia or gabriel Singson, CBP [Central Bank of the Philippines]
31. Mr. Aurelio Periquet, PCCI [Philippine Chamber of Commerce and Industry]
32. Mr. Francisco Floro, ECOP [Employers Confederation of the Philippines]
33. Mr. Donald Dee, Garments Industry
34. Mr. Yao Eng Hue, Fil.-Chinese Chamber of Commerce
35. Mr. Democrito Mendoza, TUCP [Trade Union Congress of the Philippines]

36. Mr. Johnny Tan, LACC [Labor Advisory and Consultative Council]
37. Mr. Oscar Castillo, Sugar Industry, Reg. 4; Pres., Kasama [Concerned Artists of the Philippines]
38. Ms. Fely Matienzo, coconut industry PARC [People's Agrarian Reform Council]
39. Mr. Zacaria Candao, Muslim Communities
40. Mr. Ronaldo Cosalan, ONCC [expansion unknown]
41. Mr. Amado Dizon, PACU [Philippine Association of Colleges and Universities] president
42. Mr. Ernie Garilao, PBSP [expansion unknown]
43. Mr. Emmanuel de Ocampo, Veterans
44. Mr. Emilio T. Yap, Manila Bulletin
45. Mr. Andre Khan, KBP [Association of Broadcasters in the Philippines]
46. Ex-Justice Cecilia Munoz Palma
47. Ex-Vice President Fernando Lopez
48. Ex-Vice President and Amb. Emmanuel Pelaez
49. Ex-Defense Minister Fidel V. Ramos Resource Persons
50. DES [Deputy Executive Secretary] Dionisio De La Serna, OP [Office of the President]
51. Sec. Aniceto Sobrepena, PMS [Presidential Management Staff]
52. Amb. Raul Rabe, DFA
53. Amb. Leonides Caday, DFA
54. Usec. Feliciano Gacis, DND
55. Usec. Alan Ortiz, NSC

Mayor Worried About Base Workers

HK0209080091 Manila MANILA BULLETIN in English 2 Sep 91 p 5

[Text] Olongapo City Mayor Richard J. Gordon, claiming that "lives are on the balance" with the ratification or rejection of the bases treaty, yesterday castigated the national leadership for its alleged failure to set into motion programs of projects to prevent the dislocation of thousands of workers with the withdrawal of the United States from the bases.

"For years, we have known about the impending end of the military bases agreement. And for years we have been hearing the counsel of those who want these bases to leave the country. Now we hear many of our senators and countrymen saying that the new Treaty of Friendship, Cooperation and Security between the Philippines and the United States should be rejected by the Senate, so that once and for all, the country will be rid of foreign troops on its territory," Gordon said in a speech before the Philippine Institute of Certified Public Accountants at the Hotel Inter-Continental in Makati.

But, the mayor added, "as this is being said, let us take note, in total disregard of the fact that we already have one ravaged base to take care of and thousands of jobless to attend to in Angeles City. And that no program or project has yet been set in motion to attend to the dislocation."

Gordon said he could tell his fellow Olongapo residents what the anti-bases senators are saying, the rejection of the treaty means the affirmation of national sovereignty, that this is the course of national pride and honor."

Yet, he said, he could already hear what they are going to say in reply! "But we cannot eat words. Words do not provide jobs. It's all right for you to say Yankee go home, because you have a job and you have security for your family. But in our case, this means food off our tables, and the clothes off our backs."

Gordon also cautioned against Subic Naval Base go, saying: "Now is not the time to thumb our noses at American assistance when the nation is in distress. Now is the time rather to prepare for the bases' departure 10 years hence."

"Let us use this period and let us use the assistance and the help we will derive from this treaty to build something sustainable in Centra Luzon. Let us erect in this part of the archipelago an industrial estate which before the end of the century will sustain life and provide jobs for hundreds of thousands of our countrymen," Gordon said.

Bases' Workers Measures Outlined

HK0209152491 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 2 Sept 91

[Foreign Affairs Secretary Raul Manglapus answers questions from Senator Ernesto Hererra on the bases workers during the first day of a public hearing being conducted by the Senate Foreign Relations Committee on 2 September; live in English at the Senate; italicized passage in Tagalog]

[Excerpt] [Herrera in progress] ...workers at Clark, and about 4,000 workers at Subic will be dismissed in accordance with the American schedule of the phase out programs of the workers there in Clark and Subic. So that [Herrera changes thought] ..the [word indistinct] of the workers there is that, while there is $103 million dollars for the military, there is additional trade access for the employers, and there is $100 million for the government for the economic special fund, but there is not a single centavo for these workers. And what is very unfortunate, these workers will not only be losing their jobs, in fact many of them have already lost their jobs, they are also victims of Mt. Pinatubo. That is why I raise this issue, that this is a very important matter that should have been included in the treaty because this problem cannot be addressed appropriately in the review of the base labor agreement.

The base labor agreement will just cover those workers who will be working at the time when this base labor agreement will be under review. So we'd like to know the reasons, Mr. Secretary, why this was not taken up in the negotiation of this treaty.

[Manglapus] Thank you...

[Unidentified speaker interrupts] *Friends, Secretary Raul Manglapus of the Department of Foreign Affairs.*

[Manglapus] Treatment of our workers is indeed an extremely important matter and we took your suggestions very seriously resulting not only in the provisions that you have already cited in the treaty, but also in a portion of the letter of President Bush which as you know is the source not only of this but other items of assistance to the Philippine Government from the United States. The letter of President Bush reads as follows:

"The eruption of Mt. Pinatubo has visited extreme hardships upon the people of Central Luzon including Filipinos who have been employed by the United States Forces at Clark Air Base and other facilities. The United States is working closely with the Government of the Philippines to find ways to alleviate the hardships of these employees and their families, and will continue to do so."

In the short term Madam Chairperson, the following are being undertaken to relieve this situation among those who have lost their positions.

The Department of Labor is undertaking a program called "job fair." This is a program for alternative employment. Already it has resulted in 400 workers finding overseas replacements for their jobs in these facilities. And 600 have also been the beneficiaries of this program. They have been transferred to suitable positions in American companies in the Philippines. Furthermore, although normally they would have been entitled to only three days of administrative leave for losing their positions, the United States Government has approved the extension of the fifteen-day administrative leave for those who have lost their positions.

In the long, [Manglapus changes thought] well, I would say perhaps in the medium term, there is perhaps as you know, a program in which the United States is rendering its assistance, which is a livelihood program which includes retraining. It is awaiting United States funding. [passage omitted]

Enrile: Treaty Favors Only U.S.

HK0209110091 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 2 Sep 91

[Text] Senate Minority Floor Leader Juan Ponce Enrile said outright that the recently-signed Republic of the Philippines-U.S. Military Bases Treaty is considered a one-sided treaty which is only favorable to the American people. Enrile said that the realization of the help promised to the Philippine people by the United States for military installations in the country depends entirely on the U.S. Government. Senator Enrile strongly questioned whether the possibility of having a nuclear installation in the country is indeed in the interest of the Philippine nation. Here is Senator Enrile's statement:

[Begin recording in English] It all depends upon whether the United States would want to comply with its commitment or not. Since this is on the basis of what they call best efforts of the President of the United States, once the President of the United States submits a request for budgetary support for the Philippines on the basis of this agreement, he has already made his best effort. It is up to the U.S. Congress to appropriate or not to appropriate the amount. If they do not appropriate anything, the United States under the present text of this treaty has complied with the commitment of their own president. I would say, therefore, that the agreement as it stands is so one-sided in favor of the United States. [end recording]

Meanwhile, Enrile proposed to the U.S. Government that it should send a delegation to the Philippines to discuss the possibility of foreign debt reduction. According to Enrile, the U.S. Government has to carry out this step before the first RP-U.S. military bases agreement expires on 16 September 1991. Here is part of Senator Enrile's statement:

[Begin recording in English—broadcast in progress]... delegation from the United States that can commit the U.S. Government on any discussion on reduction of foreign debt of the Philippines. [end recording]

Senators Doubt U.S. Compensation

HK0309005791 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 2 Sep 91

[Text] Senate Majority Floor Leader Teofisto Guingona and Senator Ernesto Maceda asked for explanations on earlier incidents when the United States failed to fulfill its commitments which caused the country a lack of funds during 1990, and the present year. The two senators expressed doubts that the $203 million compensation stated in the new treaty might not be implemented again.

Senator Edgardo Angara on the other hand, asked clarification on whether the treaty is effective for ten years only, or if it can still be extended. In response, Foreign Affairs Secretary Raul Manglapus said that the new treaty gave the government full power to to decide whether it would like to extend the retention of the American bases or not, after 2002.

[Begin Manglapus recording in English] In the adverse, as provided for in the treaty, the Philippines might unilaterally, in other words, the United States cannot compel us to allow them to stay longer than their [word indistinct]. [passage as heard] This of course, is accompanied by the possibility which is always there that the future government of the Philippines might think otherwise about the withdrawal of the United States. But we cannot be impelled by the United States to extend them beyond ten years. [end recording]

Church on U.S. Forces' Presence

HK0309075591 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 2 Sep 91

[Text] Church leaders have agreed to call on members of the Senate to ratify the new bases treaty. Led by Bishop

Teodoro Bacani, the entire Manila religious group called on the senators to approve the new treaty because it will allegedly help the country surmount the serious damage it sustained from previous calamities like the Mount Pinatubo eruption. Similar to President Aquino's position, Bacani said the church believes that the presence of the American forces in the Philippines gives more benefit to the Philippine people.

Bishop Urges Senate Approval

HK0309065591 Quezon City Radyo ng Bayan in Tagalog 0230 GMT 3 Sep 91

[By Tanny Rodriguez from "Malacanang Information Service" in English]

[Text] An influential Catholic bishop has urged the Senate to ratify the RP [Republic of the Philippines]-U.S. Treaty of Friendship, Cooperation, and Security, saying it offers irreplaceable benefits to a population hard-hit by man-made and natural calamities.

In a three-page position paper, Bishop Teodoro Bacani Jr., auxiliary bishop of Manila, said it is a nationalistic act beneficial to our people. Bacani emphasized that the treaty benefits are substantial and become even relatively better because of our government's present inability to present workable alternatives that will produce equal or better benefits. Bacani stressed that since there is nothing inherently wrong about ratifying the treaty and that its ratification would even be beneficial to the Philippine people. The senators, as representatives of the people, should vote according to the desires of the people. Bacani also said that, contrary to the perception that the bases cause immorality, specifically prostitution, more of our women will become prostitutes and be abused if the treaty is not ratified. Poverty, not the bases, is a bigger factor in prostitution, Bacani said. He said that, given better economic conditions, the bases will attract fewer prostitutes. Bacani said he fears a rise in unemployment and a drop in foreign investments and U.S. assistance that would result from a rejection of the treaty. He emphasized that the base employees in Subic will join the already very numerous people made jobless by the closure of Clark and we should not risk making our country less conducive to much needed foreign investments while endangering future assistance from the U.S.

In his paper, Bacani said he believes the country should have gotten more from the negotiations but no one says that what we are getting is not good at all. Bacani also said that the will of the people was clear, the people want the bases to stay longer. He added that the vote for treaty ratification is certainly not a betrayal of the Philippine people. It is a nationalistic act beneficial to our people. He said, and I quote: I am not sure that the same can be said of voting against treaty ratification, unquote.

Meanwhile, here is some information on the economic impact of a Senate rejection of the RP-U.S. Treaty of Friendship, Cooperation, and Security. If the Philippine Senate rejects or fails to ratify the treaty, U.S. military forces must withdraw by 17 September 1991 from Subic Bay and other facilities in the country. Despite talks about enduring Philippine-American friendship with or without such a treaty, a Senate rejection could erode the status and favorable perception that the Philippines now enjoys as a base (rights) country. Against a backdrop of recent natural calamities, the sluggish Philippine economy could further weaken with the loss of economic benefits of the U.S. presence.

In terms of short term impact, there would be a loss of jobs and business opportunities. An immediate palpable effect could be the job losses affecting workers in Subic Naval Base and related businesses that [words indistinct] Philippine goods and services that cater to U.S. personnel, revenues of approximately $400 million in yearly expenditures. Some 50,000 jobs in 2,500 small and medium companies doing business with the bases, including those in the buy- Philippine program which provides access to the Philippine market or revenue loss of $250 million per year, are involved. Assuming that most of the workers thus adversely affected are all breadwinners, one can extrapolate that we can double the number of people who will suffer. More than 650,000 thus far have been rendered jobless by Mount Pinatubo. With the base conversion plan in a snag, all these people have no immediate prospects for alternative employment, even in Metro Manila, the traditional mecca for the displaced from the countryside.

Other effects would be suspension or decrease of base-related U.S. assistance. We all know the U.S. will likely suspend base-related pledges to the Philippines for 1992 and yearly from 1993 to 2000. Decline in U.S. assistance could cause huge deficits, and an unsympathetic U.S. Congress may withold the $160 million annual contribution to the Multilateral Aid Initiative [MAI], now a major source of Philippine development financing requirements. Without strong U.S. support, other donors, like Japan and new EEC, may not maintain their commitment to the MAI; declined foreign investments and business expansion, since many investors see the U.S. presence as an offsetting factor to the political risk of investing in the country. Even non-U.S. investments and expansion plans in the Philippines may suffer. In fact, Taiwanese and Japanese investments have somewhat made up for Lee Kuan Yew as investors invest interest in recent years. Rise in business and [words indistinct]. Such a poor business climate could lead to new capital flight to depreciation of the peso and further weaken the country's stock market.

All this suffering from Mount Pinatubo and political uncertainties surrounding Imelda Marcos' return heightened popular anxiety following a U.S. withdrawal may also spawn price speculation, panic buying and hoarding, and loss in tourism revenues.

In terms of long-term impact: loss of access to American markets—bilateral RP-U.S. trade accounts for 25 percent of the country's overall trade; and a worsening debt problem—the Philippines needs all the support it can get from the government's debt reduction program. U.S. endorsement of the Philippine debt initiatives in the World Bank, the IMF, the Asian Development Bank, and the Paris Club has been crucial.

Another long-term effect, if the treaty is rejected, is a deteriorating investment climate and even a mutual neglect of the bilateral relationship may discourage American and other foreign investors to from country [sentence as heard]. Some curent investors, both local and foreign, may even seek a safer, more hospitable financial haven elsewhere. The relations between the private sector in both countries may also turn similarly cold.

Aquino, Mitra Chided for Reneging

HK0409061991 Quezon City MALAYA in English 4 Sep 91 pp 1, 7

[Text] Sen. Wigberto Tanada (Ind.) [Independent] yesterday chided President Aquino for reneging on a 1984 pledge to work for the dismantling of the U.S. military bases.

The pledge is contained in the Declaration of Unity which Mrs. Aquino signed on Dec. 26, 1984 along with other opposition leaders.

Tanada raised the issue after Vice President Salvador Laurel, in his testimony before the Senate hearings Monday, said that in campaigning for the ratification of the new treaty extending the lease for Subic for 10 years, he is being consistent with his refusal to sign the 1984 document.

Tanada said, "The administration would not be going through this ordeal if only the President made good her pledge."

Mrs. Aquino has explained that she opposed the U.S. bases then because these were used to prop up the Marcos government. She added that she was only a housewife at the time; now, she has to take into account the national interest.

Tanada and Sen. Rene Saguisag (LP [Liberal Party]) also demanded that Speaker Ramon Mitra make a public explanation on why he was also abandoning his stand against the bases.

Among those who also signed the covenant were Foreign Secretary Raul Manglapus, the late Sen. Jose Diokno, former Sen. Lorenzo Tanada, retired Supreme Court Cecilia Munoz Palma, and four current senators.

The senators are Jovito Salonga (LP), Agapito Aquino (Bandila), Aquilino Pimentel Jr. (PDP-Laban [Pilipino Democratic Party- Nation's Strength]) and Teofisto Guingona Jr. (LP).

Only Laurel and former Sen. Eva Estrada Kalaw did not sign the document because they wanted the give the U.S. time for an orderly withdrawal after the expiration of the current treaty on Sept. 16 this year.

De Villa: Treaty Advantageous

HK0309120491 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 3 Sep 91

[Text] The Department of National Defense believes that the treaty entered into by the government is practical, advantageous to the country, and in the national interest. This was stated by Defense Secretary Renato de Villa when he appeared before the Senate Committee on Foreign Relations hearing. De Villa said the Philippines cannot yet stand alone when it comes to security issues, because it lacks modern equipment due to the continuous downtrend in the country's economy. De Villa said the effect of the lack of equipment has been experienced by the military in its anti-insurgency campaign, operation, and clashes against the rebels. The secretary explained that the plan to modernize the military can also be considered as preparation for the withdrawal of the U.S. forces from the country. With this, the Philippines would be able to defend the country against foreign forces.

[Begin De Villa recording] The capability of the Armed Forces will be lessened because the support coming from the bases compensation will be lost. [end recording]

De Villa added that if the treaty is ratified, the Philippines will have more time to prepare and adjust in the next 10 years, which he said is not too long. Meanwhile, the military assistance to the Armed Forces of the Philippines for its modernization is contained in the signed treaty.

Trade Secretary Views Bases Pact

HK0409063391 Manila PHILIPPINES NEWSDAY in English 4 Sep 91 p 8

[By reporter Bienvenido M. Perez]

[Text] Despite grim predictions by some sectors, the Philippine economy will survive even if the RP [Republic of the Philippines]-U.S. Treaty of Friendship, Cooperation and Security is not ratified.

Acting Trade and Industry Secretary Peter D. Garrucho Jr. yesterday said he aims "to put in the right perspective" certain aspects on trade contained in the new bases pact in today's scheduled hearing of the Senate foreign relations committee.

But if the treaty is ratified, Garrucho said there is a possibility to obtain from Washington additional General System of Preferences (GSP) benefits. In this regard, he noted that the United States government could also lift competitive need limits (CNL) currently imposed on certain local exports.

Along with Central bank Governor Jose Cuisia and representatives of the Department of Finance, Garrucho said he will present in today's Senate hearing both the upside and the downside, if any, of ratifying the new bases pact based on the provisions contained in the treaty itself.

If the U.S. considers sanctions against the Philippines should the Senate reject the bases treaty, Garrucho emphasized that the effect will not be too great since the current trade between the two countries is already protected by various multilateral as well as bilateral conventions and agreements, such as the Multi-Fiber Agreement which covers garment and textile exports.

Garrucho added that U.S. investments in the country will also not be affected that much by the treaty's non-ratification considering that American investments in the country have steadily declined through the years even as Asia's dragon economies, specifically Japan, have increased their stakes in the Philippines in the past few years.

In 1990, American equity investments in the country totalled only P [Philippine pesos] 1.445 billion compared with Japan's P7.437- billion input.

The Philippines, he said, can even protest retaliatory U.S. sanctions, if any, as trade violations before the 108-nation General Agreement on Tariffs and Trade (GATT), the organization charged with policing international trade rules.

This December, the so-called Uruguay Round of GATT negotiations is scheduled to take place in Geneva after its collapse in December last year in Brussels over the issue of European farm subsidies. The talks are aimed at finalizing a new, freer world trading system that will allow developing nations to gain more access to world markets by minimizing preferential treatments provided under bilateral pacts.

However, getting key GSP benefits would certainly boost revenues of the export sector since the U.S. remains the country's biggest trading partner, Garrucho said.

The GSP is a unilateral and non-reciprocal program of duty-free and tariff preferences granted by the U.S. to beneficiary developing countries, such as the Philippines. The country was granted GSP status in January 1976, but lagged behind in its utilization until 1986, under the Aquino administration, when local export-based enterprises really began to take full advantage of the privileges possible under the scheme.

Last year, Garrucho noted that the country exported to the U.S.$1.007 billion worth of products submitted for GSP privilege. About $800 million worth of export items actually entered the U.S. duty-free. Of this amount, 43 export products accounted for $703 million worth in GSP utilization. There are roughly 900 GSP-eligible products from the Philippines to date.

In line with being given more GSP privileges, the country, according to Garrucho, could also get CNL caps imposed on a number of local products lifted to boost exports.

The GSP eligibility of a product is lost if the CNL of the U.S. are exceeded. This trade cap is reached if a country's exports account for 50 percent or more of U.S. imports of the product and if a certain dollar value in imports of that product is exceeded.

Recently, Garrucho noted that the U.S. finally raised its CNL on local automotive wire harnesses, a growing export line for Philippine manufacturers, and restored the product's GSP privilege.

Extension of Stay Portion Viewed

HK0509151791 Quezon City MALAYA in English 5 Sep 91 pp 1, 11

[By Romy Tangbawan and Cris Larano]

[Excerpts] A way to enhance the chances of ratification of the RP [Republic of the Philippines]-U.S. Treaty on Friendship Cooperation and Security was proposed last night by Senators Agapito Aquino (Bandila) [People's Unity in Spirit and Aim] and Aquilino Pimentel (PDP-Laban) [Pilipino Democratic Party-Nation's Strength].

They said some of the anti-bases senators, including themselves, could be persuaded to change their vote to "Yes" if the portion on the extension of the U.S. bases' stay in the country is scrapped.

Aquino and Pimentel are among several senators against approval of the treaty because of the provision on military bases.

He said those who have expressed support for their move are Senators Juan Ponce Enrile (NP) [Nacionalista Party], Joseph Estrada (PMP) [Party of the Filipino Masses], Sotero Laurel (NP), Teofisto Guingona (LP) [Liberal Party], Wigberto Tanada (Ind) [Independent], and Rene Saguisag (LP).

They are also expecting support from Senate President Jovito Salonga (LP), Orlando Mercado (LP), and Victor Ziga (LDP) [Struggle of Filipino Democrats].

But Executive Secretary Franklin Drilon said it is not legally feasible to ratify the treaty on a piecemeal basis.

Drilon said although the treaty is made up of three agreements—on friendship, cooperation, and security—"there is only one treaty."

He said these three agreements are "interrelated... so we are so hopeful that they will ratify the entire treaty."

"We're objecting to only one insignificant article—the military bases article," Pimentel said.

As this developed, President Aquino said while it is possible to continue economic relations with the U.S. if the treaty is rejected, "it is only realistic to assume that we can expect more favorable responses to our initiatives for more trade, more aid, and better terms on loans if a treaty is in place."

"Thus, as we have often stressed, approval of the treaty is more advantageous to the country than rejection," she said. [passage omitted]

The Presidential committee on the Bataan Nuclear Power Plant said it will oppose a debt relief package linked to the treaty ratification if the money to be obtained from the package will be used to buy debt papers on the power plant.

Inclusion of the plant's debt papers in the debt restructuring package will weaken the government's case against Westinghouse. [passage omitted]

Senator Aquino said if the treaty is ratified minus the bases article, government does not have to fear the loss of trade access and other economic assistance from the U.S. as there will be a "Treaty on Friendship and Economic Cooperation."

Saguisag, however, described the option as a "raw concept" and just one of the several options they are considering. "I wonder whether it would be palatable to most of us," he added.

Pro-bases Sen Edgardo Angara (Ind) said this option will not work because if one of the three main issues in the treaty is removed, the whole thing collapses.

"It's all or nothing because everything is intertwined. You accept one and accept all," he said.

He added if the agreement is only on friendship and economic cooperation, the Constitution does not require it even to be in the form of a treaty.

"The reason this agreement is in the form of treaty is precisely because of Article VII (foreign military bases). Without Article VII, everything that's happening and has taken place—the negotiations, public hearings—is meaningless," he said.

But the proponents said they want this discussed on the floor. [passage omitted]

Aquino Rejects Amendment Proposal

HK0509153091 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 5 Sep 91

[Text] President Aquino has said that it is not possible to amend the new bases treaty. This was the president's reaction to a proposal from some senators to amend the said agreement. According to the president, any changes in the agreement as a whole is not in line with the due negotiating process with the United States. Senator Aquilino Pimentel appealed to the Senate to approve the treaty if the provisions on security are removed. Senator Agapito Aquino stressed that the treaty might be ratified if provisions on the military bases are removed. However the president stressed that the bases treaty should be ratified in whole and not on each provision.

Meanwhile eight senators are preparing a strong resolution that aims to amend the whole treaty. They called the said resolutions "killer amendments." The eight senators are Aquilino Pimentel Jr., Butz Aquino, Rene Saguisag, Sotero Laurel, Wigberto Tanada, Jovito Salonga, Juan Ponce Enrile, and Joseph Estrada. The senators said that by means of the said resolution, the new treaty might be called a treaty of friendship and cooperation. The said resolution might kill off the treaty's intentions.

Vendors Thanked for Treaty Support

HK0409061891 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 4 Sep 91

[Italicized passages in English]

[Text] President Aquino thanked the National Market Vendors Cooperative Service Federation [NMVCSF] for their support for the retention of the American military bases. The president made the statement in her speech during the 12th anniversary of the NMVCSF.

[Begin Aquino] *The individual consult each other [word indistinct] nation. That cooperation has become a crucial question in resolving the issue of whether to allow Subic Naval Base to remain or not.* I am glad you can understand the reality that retention of the Subic Naval Base would mean additional jobs for our people, especially for the victims of the volcano eruption. It is more important for our people to understand that if we decide to allow the retention of Subic Naval Base, this will be perceived by other countries as our contribution to the continuing defense of democracy in Asia. [end recording]

U.S. Officials Invited to Hearing

HK0509051791 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 5 Sep 91

[Excerpt] The Senate has invited three top officials of the United States who have direct involvement in the new military bases agreement to appear at the fifth day of a public hearing conducted by the Senate Foreign Relations Committee tomorrow. Here is Jojo Ismael with the details.

[Begin recording] The members of the Senate Foreign Relations Committee, headed by Senator Leticia Ramos-Shahani, today agreed to invite U.S. Navy Rear Admiral Thomas Mercier, Subic Naval Base commander, U.S. Embassy Spokesman Stanley Schrager and U.S. chief negotiator Richard Armitage to give their testimonies before the committee on the recently signed military bases treaty. [passage omitted] [end recording]

Maceda: 14 Senators Reject Treaty

HK0609015791 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 5 Sep 91

[Text] Senator Ernesto Maceda said that 14 senators have been convinced to reject the treaty since the Senate hearings on the bases treaty started. Because of this, Maceda proposed that talks on the alternative use of the U.S. bases should be conducted. He said the debate on the merits and demerits of the treaty should now be stopped.

Meanwhile, Olongapo Mayor Richard Gordon urged the senators to approve the treaty because President Aquino has no alternative plans prepared for the U.S. forces withdrawal from the country. Gordon stressed that thousands of workers will lose their jobs if the military bases are dismantled.

Senate Leadership Shakeup Seen

HK0609010991 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 5 Sep 91

[Text] A Senate member who requested anonymity said that a coup d'etat in the Senate may occur between 11-13 September to possibly change the present Senate leadership in order to ratify the new bases treaty. This will allegedly occur after the massive rally to be led by President Aquino in front of the Senate on Tuesday, 10 September. Among those joining the rally are big organizations from various sectors like businessmen, youth, professionals and non-governmental organizations. There is allegedly a plan to remove Jovito Salonga as the Senate president because of his hard line position against the bases ratification. The choices for the position are Senator Neptali Gonzales and Senator Ernesto Maceda. It is said that if Salonga is replaced, the morale of the antibases senators will fall, and that it would then be possible that they would change their views on the bases treaty before 16 September, the expiration of the current military bases agreement.

U.S. Use of Installations Viewed

HK0609035491 Quezon City MALAYA in English 6 Sep 91 pp 1, 7

[By Romy Tangbawan and Cris Larano]

[Excerpt] Members of the Philippine bases panel last night told the Senate the new treaty allows the United States to use military installations other than Subic Naval Base without having to pay additional compensation.

Supplementary Agreement No. 2 of the new treaty says the Philippine government authorizes the U.S. to station its forces in "designated training areas and air spaces, and such other areas as may be mutually agreed upon." Sen. Aquilino Pimentel (PDP-Laban) [Pilipino Democratic Party-Nation's Strength] described the provision as "insidious" as it allows the U.S. to station its forces anywhere.

He said the U.S. can even go back to Clark Air Base.

Foreign Secretary Raul Manglapus said this can happen only with the express approval of the Philippine government. He could not say which government agency is authorized to give such approval.

Defense Secretary Feliciano Gacis, a member of the Philippine panel, said his assumption is that the U.S. should make the request with the Department of National Defense.

"If the defense department sees the request as reasonable, it can recommend it for the President's approval," he said.

Also in yesterday's hearing, Manglapus confirmed there were disputes among members of the Philippine panel during the negotiations and said this was because Malacanang did not give them specific instructions on what to do or what to ask from the Americans.

"We were not enjoined to follow a singular line of thought during the negotiations" Manglapus told the fourth day of Senate hearings.

Manglapus was reacting to Sen. Ernesto Maceda's (PMP) [Party of the Pilipino Masses] inquiries on the panel's composition, including why Ambassador to the U.S. Emmanuel Pelaez was not included in the panel.

To this, Manglapus answered: "For the same reason why Ambassador Nicholas Plan was not included in the U.S. panel."

Manglapus also said several American legislators have expressed willingness to remove a ban on the transfer of lethal excess defense articles to the Philippines if the new bases treaty is ratified.

The ban, described the other day by Maceda as "discriminatory," is an amendment to the Foreign Aid bill. Maceda has said the provision "singles out the Philippines as not qualified to receive lethel defense weapons without cost." [passage omitted]

Aquino Defends Rally Participation

HK0609015891 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 6 Sep 91

[Text] President Corazon Aquino defended her move to lead the pro-base rally scheduled for 10 September. She issued her defense after criticisms that this is unbecoming for a president. In a press statement, Mrs. Aquino stressed that her participation in the rally at Luneta is in response to the call by many citizens who are supportive of the new treaty. The rally aims to convince the Senate to ratify the new military bases agreement between the Philippines and United States. The president added it is the duty of every leader to lead or follow when this is called for and that every political leader should know when to lead and when to follow. The president also rejected a proposal by some senators to ratify only the acceptable parts of the treaty.

DeVilla on Security 'Paramountcy'

HK0609033991 Manila MANILA BULLETIN in English 6 Sep 91 p 6

[Editorial: "De Villa states the case for the national security"]

[Text] Though the concerns of foreign policy in modern times have diversified to an enormous extent, its fundamental objective remains unchanging; to guarantee a nation's security. This is still the main consideration for ratifying or rejecting the Treaty of Friendship, Cooperation and Security between the Philippines and the United States.

Defense Secretary Renato de Villa, called before the Senate, has reasserted the paramountcy of the security factor. His tone was subdued, honest, humble, but incisive and frank. This was one of the most lucid and persuasive presentations so far made in the series of public hearings being conducted by the Senate committee on foreign relations.

De Villa pointed out that the present security configuration in Asia, in which the Subic Naval Base is an important anchor, has successfully maintained the strategic equilibrium in the Asia-Pacific region. "A withdrawal of that presence runs the risk of unravelling the tensions in the region," he said, noting that the Korean peninsula and the Spratly archipelago close to Palawan are potential flash points.

The secretary felt that with respect to internal security, the campaign against the 20-year Communist insurgency has finally reached the homestretch. The AFP [Armed Forces of the Philippines] hopes to achieve what it calls a "strategic victory" by 1992 or 1993. This means breaking the back of the rebellion, which may be the world's longest running. De Villa hints that it will not be fair, at this point, to deny our troops that victory by depriving them of essential equipment and material.

He told the Senate that in the five-year period from 1987 to 1991, U.S. sources accounted for 63 percnt of some P[Philippine peso]10 billion allocated for the AFP's equipment acquisition and maintenance and operating expenses. The withdrawal of that support will hobble not only the anti-insurgency campaign, but the modest modernisation program of the Armed Forces. The replacement cost for this aid is something a weak and prostrate economy can hardly bear.

Finally, De Villa said that the ratification of the treaty "will buy time" for the Armed Forces and the nation to prepare for the full assumption of the burden responsibility for our national defense. We will have to race against a ten-year deadline beyond which the American presence has to go. By then our waters, our shores and our skies need not be as nearly undefended as they would be if the U.S. ties were cut off now. After all, the real test of sovereignty lies in the ability to defend it.

There is a tendency on the part of those who oppose the treaty to disdain the role of national security for the simple reason that it is tied up to the United States. The world's leading nations see nothing wrong in enhancing their security through a partnership with the U.S. Indeed, our own region of East Asia has turned into a pack of economic tigers, now leading the world in economic growth, under the shield of these security alliances.

For these reasons, De Villa told the Senate, "We in the DND- [Department of National Defense]-AFP firmly believe that keeping American military presence in the country for the time being is...in line with the national interest." The Senate must heed these words of a man who speaks for the country's soldiers.

Estrada: Aquino 'Held on a Leash'

HK0609115891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Sep 91

[Text] President Aquino was allegedly held on a leash by the United States which is why she was forced to turn away from her original position not to retain American forces in the country. This was stated by Senator Joseph Estrada in an interview with DZMM. He said that at the time President Aquino was campaigning, she was leading those who were against the bases presence in the country. Estrada added that the U.S. pressure on President Aquino is so great that she even has to lead a pro-bases rally on Tuesday [10 September].

Meanwhile, there was a proposal at the Council of State for President Aquino to ask senators who she helped win election to support the bases agreement.

Senator Shahani Interviewed

HK0609081091 Quezon City Radyo ng Bayan in Tagalog 0550 GMT 6 Sep 91

["Ambush" interview with Senator Leticia Ramos-Shahani, chairman of the Senate Committee on Foreign Relations, by members of the Malacanang Press Corps after the Council of State meeting in Malacanang—live in English]

[Text] [Shahani] For some time I was undecided really. I was also close to a no. Because it is so difficult. Actually, if you vote yes, you can also be as nationalist as they come. And if you vote no, you are also for continuing relations with the United States. That is why the decision is so hard to make, and where to draw that line. But I think it was useful because there are many ambiguities in the treaty and this is really our only chance to ask

Secretary Manglapus face to face, you know, what do you mean by nonratification? What do you mean by nuclear weapons? What do you mean by the excess defense articles? What is a side letter? You see, this is our only chance, and when they say it is a no, I won't say that because this is our way now of asking the chief negotiator what these all mean. So, even I have asked negative questions.

[Reporter] [question indistinct]

[Shahani] No. I am not. I am not. I think this should have been a challenge to Philippine diplomacy. They should have prepared for it. They should have had the best minds to come up with our position, but as it is, they are in a sort of a touch and go.

[Reporter] [question indistinct]

[Shahani] Well, because you have to take into account the overall picture. I am critical of several issues. The way the Senate was not consulted properly, although Secretary Manglapus said yes, they consulted us. But that is another interpretation. But on the whole, they will have to be faced with overriding concern. Okay, on my part, I think the overriding concern is economic. I am concerned that the government and the people are not in a position to come up with alternative plans and projects to meet the issues of unemployment and poverty. I think this is the weakest part of those who want to vote no. They are so no, but they just have to say what is the alternative? Because we must come up with alternatives.

Enrile Comments on Council Meeting

HK0609100891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Sep 91

[Text] Senate Minority Floor Leader Juan Ponce Enrile expressed disappointment on the Council of State meeting held in Malacanang today because the antibases senators were allegedly not given the opportunity to speak out.

In a press briefing at the Senate, Enrile said he could not stomach the meeting so even before it was concluded, he asked to be excused. According to Enrile, only the pro-bases senators and the people who are for ratification were given the oppportunity to talk in the meeting, adding that it was obvious this was only a way to threaten the antibases senators. Enrile stated, however, that his position remains unchanged in that he will still scrap the agreement between the Philippines and the United States. He wants an immediate ouster of the military bases in the country.

[Begin Enrile recording in English] There was nothing new that was presented. Everything that was said in the Council of State meeting was already heard on the floor of the Senate during the committee hearing. So, I decided to leave at the start but my own personal impression was that we who were perceived to be not voting in favor of ratification were precisely targeted for that kind of a meeting and argumentation. [end recording]

Enrile also criticized the departure of Finance Secretary Jesus Estanislao for the United States to discuss the country's debt problem.

Aquino Fails To Convince Senators

HK0609094891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Sep 91

[By Disk Sinchongco, DZRH Unit 6]

[Text] President Cory Aquino failed to convince the senators who oppose the bases treaty to change their position. The president met with the antibases senators and members of the opposition in the recently-held Council of State meeting in Malacanang. In the meeting, President Aquino warned that new hardships will arise if the agreement is not ratified. The president stressed that her only agenda is for the good of the Philippine people and she will not run in the 1992 election. In a spontaneous interview after the meeting, the president said that she hopes that the meeting's discussions will be helpful to the senators in their decision on the treaty. The president said that she invited Vice President Salvador Laurel to join in the planned pro-bases rally next week. The president said that Laurel might just cancel an appointment in order to join the rally.

[Begin recording in English; broadcast in progress] [Aquino]... I am very glad that all of the sectors, many of the sectors were represented in today's meeting. And the opposition was well represented so I hope that the meeting today will further give input to the senators and help in making their decisions.

[Unidentified reporter] Did you invite Vice President Salvador Laurel?

[Aquino] I invited all of those who are for the ratification of the treaty and I especially mentioned the invitation to the vice president. He said he will try to cancel his other appointment. [end recording]

Following this the president defended the planned rally.

[Begin Aquino recording in English] I think this is a great honor for me to be with our people, so being presidentiable or not, I think I always considered it an honor and sense of great pride to be with our people, especially on an important occasion such as this. [end recording]

Meanwhile former Defense Secretary Fidel Ramos says that he will join in the rally in order to stress the importance of the ratification of the bases treaty.

Enrile Requests Contingency Plan

HK0609121591 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Sep 91

[By Dick Sinchongco of DZRH unit No. 6]

[Text] Opposition Senator Juan Ponce Enrile has asked the Aquino government to draft an appropriate contingency plan in preparation for a possible bases treaty rejection. In an ambush interview after attending a Council of State meeting here at Malacanang, Enrile said that the Aquino government should prepare itself for any eventuality. According to Enrile:

[Begin Enrile recording in English] Yes at this point the Aquino administration, being responsible for this country and how to direct it, have to consider very carefully, as a matter of prudence, a contingency plan that would take care of the possibility that this treaty might be rejected. [end recording]

Enrile also stressed that the administration did not present any new arguments during the said meeting to change their [as heard] minds. Enrile also said that his stand against the bases treaty will not affect his presidential bid.

Board Says GNP for First Half of 1991 Falls

HK0209132291 Quezon City MALAYA in English 31 Aug 91 p 9

[Text] The Philippine economy, as measured by the gross domestic product or the total output of goods and services excluding foreign exchange income, declined by 0.58 percent in real terms during the first half of 1991, a marked reversal from the 3.84 percent growth posted in the same period last year, the National Statistical Coordination Board [NSCB] reported yesterday.

Accounting for the inflow to and outflow from the rest of the world of factor incomes, the gross national product went down by 0.23 percent at constant 1985 prices, compared with a 5.81 percent jump in 1990, NSCB Secretary General Romulo A. Virola said.

In peso terms (at 1985 prices), GNP went down from P [Philippine pesos] 346.018 billion in the first half of 1990 to P345.237 billion this year. GDP declined from P345.268 billion to P343.25 billion.

The preliminary report on the country's economy was based on figures gathered by the Economic and Social Statistics Office of the NSCB, the official source of GNP [Gross National Product] estimates.

On the production side, the combined agriculture, fishery and forestry sector exhibited a notable growth of 3.48 percent in real terms due to the substantial increase in palay and corn production. Livestock and poultry, as well as fishery, grew by 2.44 percent, 7.07 percent and 4.17 percent, respectively.

The industry sector, on the other hand, experienced a 5.08 percent decline in the first semester. All sectors of industry contracted, except for the utilities sector which posted a 1.46 percent growth.

Construction suffered the highest rate of decline at 27.07 percent. Mining and quarrying went down by 5.11 percent while manufacturing dipped by 0.72 percent.

Real income from the services sector went up by 1.13 percent. Trade registered the highest growth of 2.04 percent. finance slowed down to 2.32 percent, while the rest of the services subsectors were virtually at a standstill.

On the expenditure side, aggregate household expenditures rose by 4.2 percent. Government consumption expenditure in real terms went down by 3.58 percent as government adopted cost-cutting measures as early as 1990.

Capital formation dropped by 21.92 percent with construction and durable equipment both registering double-digit decreases of 28.34 percent and 12.96 percent, respectively.

The country's exports paced down by 0.09 percent while imports slipped by 7.43 percent.

Inflation rate averaged 16.97 percent in the first six months of 1991.

Finance Secretary Blamed for GNP Decline

HK0409071591 Manila PHILIPPINE DAILY INQUIRER in English 4 Sep 91 p 15

[Editorial: "A Potent Poison"]

[Text] Only in the turbulent final years of the Marcos regime has something similar happened. Economic Planning Secretary Cayetano Paderanga disclosed last week that the country's gross national product (GNP) shrunk by 0.23 percent during the second quarter of the year. It was the third straight quarter that the production of goods and services fell, and the statistic looks even grimmer when compared with the 5.8-percent GNP growth rate in the first half of 1990.

Data from the National Statistics Coordinating Board show that, boosted by bumper rice and corn crops, the combined output of agriculture, forestry and fishery grew by 3.48 percent from January to June this year. But this gain was more than offset by greater losses in industrial output of 5.08 per cent. Construction plunged 27.07 percent. Mining and manufacturing also contracted by 5.11 and 0.72 percent, respectively.

More worrisome than the reduction in output is that the prospects for recovery are dim. Investments, which are needed to push the economy forward sometime in the future, dropped 21.9 percent.

What sent the economy into a tailspin? Government officials will surely blame the floods and killer earthquake that struck the country last year. They may even throw in the Gulf war and the uncertainties it created to explain the reluctance of businessmen to expand their enterprises or invest in new ventures.

All these factors no doubt contributed in bringing down production and dampening investments. But neither can officials deny that their adverse effects were reinforced and compounded by policies that were adopted ostensibly to soften their impact on the economy.

To combat inflation, monetary officials floated bonds and raised to 25 percent the reserve requirement of commercial banks. These coupled with government's deficit spending sent interest rates soaring, putting money out of the reach of would-be investors. At the same time, the government increased the prices of oil products and power rates, further raising production costs and fuelling inflation.

Earlier the peso was devalued and later a nine-percent levy was imposed on imports of every kind, including machinery and raw materials. Again, their net effect was to increase production costs and ultimately prices of commodities with imported components. One bitter irony was that the import levy that was intended to raise additional revenue led to a 25-percent shortfall in customs collections as businessmen cut their importations to the barest minimum.

It is evident from the country's overall economic performance that government could not have produced a more potent poison than this set of policy measures if it deliberately planned to kill industry and make life difficult for everyone.

At a different time or place, whoever is responsible for such a disaster would have been retired or fired. But it's futile to demand now for the head of the principal author of these policies. For surely the administration cannot afford to lose the services of Finance Secretary Jesus Estanislao. Not while mendicancy is the cornerstone of Philippine economic policy, because Estanislao is its key implementor.

He has earned the good graces of foreign creditors by insisting on faithful repayment of all the country's debts, including spurious ones like the loans that financed the construction of the mothballed Bataan Nuclear Power Plant. He has demonstrated a readiness to comply with their demands, like raising power rates, oil prices and more taxes. And so long as foreign loans keep trickling in, it does not matter if funds for repayment of old loans keep flowing out. Those who want economic growth before debt service can go hang.

Caragae Blames Spending Rise on Debt Obligation

HK0609034091 Manila MANILA BULLETIN in English 6 Sep 91 p-b4

[Text] The country's debt obligation is the main culprit behind the rise in government spending under the Aquino administration, Budget Secretary Guillermo Carague said yesterday.

Reacting to allegations by Senator Juan Ponce Enrile that the rise in government expenditures was due to perks and privileges given to government officials of the Aquino administration, Carague said: "In 1985, only 24.3 percent or some P [Philippine peso] 20.4 billion of the government's total disbursements for that year went to easing our debt burden.

In contrast, the percentage of total disbursements that went to debt burden grew from 24.3 percent in 1985 to 36.9 percent in 1986, 50.3 percent in 1987, 47.5 percent in 1988, 43.1 percent in 1989, 42.8 percent in 1990 and 41.7 percent in 1991.

The debt situation worsened beginning 1986 when the Aquino administration had to pay for maturing debts aside from assuming the huge liabilities incurred during the previous administration by the Philippine Nuclear Power Plant and by many government financial institutions."

"We also have to consider other factors, aside from debt. From 31.5 million in 1965, our population grew to 54.7 million in 1985 and to 61.5 million in 1990. In 1965, the exchange rate was P3.9 to the dollar, P23.1 in 1985, and an estimate of P28.5 at present.

The population growth and the effect of the changing peso-dollar rate on our debt payments also caused government expenditures to increase," Carague explained.

Carague said that, if debt payments were to be taken out, real expenditures per capita under the Aquino administration simply restored the per capita spending that was eroded during the Marcos years.

From a high of P2,061.52 in 1981, real expenditure per capita declined to P1,055.97 in 1985 but increased to P1,315.55 in 1987, and to P1,600.94 in 1990.

Carague branded as misleading Sen. Enrile's comparison of per capita expenditures for power and energy in 1981 and those in 1988. He pointed out that the P62.31 per capita expenditure cited by Enrile for 1981 is relatively big since it includes provisions for the moth-balled Philippine Nuclear Power Plant.

Carague said that the P3.59 figure quoted by Enrile as per capita expenditure for power and energy in 1988 was the lowest under the Aquino administration inasmuch as in 1986 this was P24.4, P31.0 in 1987, P16.5 in 1989, P111 in 1990 and P29.6 in 1991.

Developers Oppose Urban Land Reform Bill

HK0309082191 Manila BUSINESS WORLD in English 3 Sep 91 p 10

[By Ma. Antonette Z. Cruz]

[Text] A good majority of real estate developers will shy away from developing lands once the controversial urban land reform bill is passed into law.

At least 90% of real estate developers, said Manuel Serrano, founder and member of the Chamber of Real

Estate Builders Associations, Inc. (CREBA) will keep away from land development projects should the bill be passed. As such, this casts doubts that the program, whose eventual success has been pinned on the participation of the private sector, can take off.

Making the bill even more unpalatable is the bland incentives package offered by the measure, said Mr. Serrano. As it is, the only incentive dangled to developers under the bill is exemption from the donor's tax.

Among the incentives being sought by the CREBA are exemption from income taxes due on the project, including all fees and charges imposed by government bodies, capital gains tax on raw lands used for the project, VAT [value added tax] for contractors, transfer taxes for both raw land and completed project.

It is also seeking total exemption from real property taxes in favor of the intended beneficiaries, and a requirement for banking institutions to set aside 10% of their loan portfolios for project-related development loans of private developers at an interest rate that is 4% lower than the market rate.

CREBA has found several "objectionable and questionable provisions" under the bill, which, it claims, has become a source of disenchantment for the private shelter sector.

Mr. Serrano also batted for the inclusion of lands covered by the Comprehensive Agrarian Reform Program (CARP) under the coverage of the urban land reform program.

He added that the program will be bogged down by the National Housing Authority's (NHA) low funding. The NHA's main task under the program is the identification of urban and urbanizable land suitable for Government's social housing projects. In the past, the NHA has provided housing for only 1% of the squatter population. The number of squatters in the metropolis, however, increases by 11

annually, such that the NHA's coverage has been decreasing , he said.

The urban land reform bill has already been approved by the Congressional joint committee on housing, urban planning and resettlement. Its components include a system of land identification and registration, acquisition, development, management or disposition to allow maximized access by the underprivileged and homeless; a rational urban area framework plan; a strengthened and accelerated program for existing priority development areas, zonal improvement sites and slum improvement and rehabilitation sites; a national shelter program of low-cost housing; a low-cost and mass housing program for local government units; an urban renewal and resettlement program; a community mortgage program; and livelihood components.

Abadia Discusses Contacts With Military Rebels

HK0309080691 Manila BUSINESS WORLD in English 3 Sep 91 p 10

[Text] Armed Forces of the Philippines (AFP) chief of staff Gen Lisandro C. Abadia yesterday denied he had already spoken with cashiered Lt Col Gregorio Honasan.

In his first interview after a five-day official trip to Malaysia and Singapore, Gen Abadia said, "No, that's ridiculous," when asked to confirm reports that he talked to the rebel leader on board a chartered airplane some three weeks ago.

"I will be talking to him and his emissaries in the most appropriate time," he added.

What he confirmed though, was the report that military rebels have formed an exploratory group to discuss the possibility of accepting an offer for peace negotiations with the chief of staff.

He admitted he was already informed that the gorup is composed of senior and junior officers of the Rebolusyonaryong Alyansang Makabansa (RAM) [Soldier of the Filipino People]-Kawal ng Sambayanang Pilipino [Reform the Armed Forces Movement] (KSP)- Young Officers' Union (YOU).

"I have a briefing on that tomorrow," he disclosed, as he said there is definite progress in his efforts to dialogue with military rebels.

Even as this developed, a ranking police official in Sorsogon said the hunt for Mr Honasan continues.

A police superintendent, in an interview with reporters, said they have not received any orders to temporarily desist from searching for the rebel leader who carries a P [Philippine pesos] 5 million award for his capture.

He indicated that even when the military imposed a moratorium on the hunt for Mr Honasan to allow intermediaries to contact him, the police continued conducting operations against suspected rightist elements.

Mr Honasan and other rebel leaders were reportedly sighted in the province. Mr Honasan reportedly drives around in a white van.

Gen Abadia arrived Sunday night from a five-day official trips to Malaysia and Singapore. While there, he stressed the importance Southeast Asian nations play in ensuring peace and stability in the region.

He added, "it is to our collective benefit that we maintain channels of communication through which we can exchange views and perceptions on matters affecting the peace and stability of our region."

'Mass Release' of Rebel Lieutenants Announced

HK0309090991 Manila PHILIPPINE DAILY INQUIRER in English 3 Sep 91 pp 1, 8

[By Fe B. Zamora]

[Text] Scores of lieutenants detained in connection with the August 1987 and December 1989 Coup attempts will be released today on account of good behavior, Gen. Lisandro c. Abadia yesterday said.

The Armed Forces chief of staff said the rebel lieutenants from the Army, Navy, Air Force and Defunct Constabulary will be released to the custody of their major service commanders. They will be presented during a press conference at 2 p.m. today in Camp Aguinaldo.

Sources said the mass release may have been the condition sought by putsch leader Gregorio "Gringo" Honasan" for the "reconciliation" of all military factions which Abadia is aiming for.

Honasan, leader of the August 1987 and December 1989 putsches, may turn himself in after the release of his jailed comrades. The military has offered a P[Philippine pesos]5-million reward for his capture.

"This is a signal (to the rebel movement) of my sincerity to unify the AFP,"[Armed Forces of the Philippines] Abadia said. "I am releasing them in good faith but the military justice system will have to take its course."

Abadia said captains and other high-ranking officers will be released soon after review of their cases.

"That is the second phase of my reconciliation program" he said.

Abadia earlier released several rebel officers who have not yet been charged in court and commuted the sentence of several enlisted men who had been convicted for participating in coup attempts.

Abadia, who arrived Sunday from a week-long tour of Singapore and Malaysia, said he is still pursuing a dialog with Honasan.

Abadia denied an INQUIRER report that he had talked with Honasan aboard a plane some weeks ago.

"The report has confused the whole thing," he said. "Anyway the confusion has humanized the whole proceeding."

Abadia had been seeking a peace dialog with Honasan and other ultrarightist putsch leaders in a bid to end their threats to national security and economy.

Abadia said foreign investors will continue to keep away from the Philippines as long as threats of more coup attempts remain.

Honasan and other rebel leaders have vowed to launch another attempt to oust President Aquino before her term ends in June 1992. Ms. Aquino has survived all six coup attempts against her.

In a related development, the Philippine National Police also disclosed its plans to recommend the release of several detained rebel officers.

"We are hastening the review of their cases," said Gerardo Flores chief of PNP[Philippine National Police] intelligence.

"We can only recommend to the chief of staff and he makes the decision," Flores told the INQUIRER.

The list of lieutenants who had been detained for their involvement in the 1987 and 1989 coup attempts are:

1Lt.[First Lieutenant] Ajajul A. Jimbul, 1Lt. Jacinto B. De Vera, 2Lt[Second lieutenant] Adonis L. Fernandez, 2Lt. Oscar A. Ramos, 2Lt. Jerry A. Tagle, 2Lt. Delfin A. Actas, 2Lt. Fernando R. Gomez.

1Lt. Servando A. Boanan, 1Lt. Rolando E. Cal, 1Lt. Atanacio T. Macalan, 1Lt. Santos L. Petalio Jr., 1Lt. Filomeno Macahilig, 2Lt. Jairus S. Gelveson, 2Lt. Oscar C. Delena, 2Lt. Memel T. Rojas, 1Lt. Joselito T. Cabreros.

1Lt. Dennis Pena, 2Lt. Nelson Baguilan, 1Lt. Dominador Castillo, 1Lt. Emmanuel Chavez, 1Lt. Abner Dimabuyo, 1Lt. Fernando Baltazar, 1Lt. Jorge Avila, 1Lt. Ronaldo Estilles, 2Lt. Elmer Bantug, 2Lt. Rosueto Ricaforte.

2Lt. Rolando Osias, 2Lt. Ismael Bual, 2Lt. Wildredo Javillonar, 2Lt. Rodolfo Cachola, 1Lt. Rodrigo Quintilla, 1Lt. Rodolfo Viajar, 1Lt. Albert Delariman, 1Lt. Danilo Valdez, 1Lt. Leodegario Aspan.

1Lt. Tomasito Macatangay, 1Lt. Wilson Gambia, 1Lt. Wilfredo Genete, 1Lt. Hernando Caraig Jr. 1Lt. Rogelio Buendia, 1Lt. Jorge J. Roque, 1Lt. Lazaro Alcoba, 1Lt. Sergio Duque, 1Lt. Paul Dario, 1Lt. Edgardo Chua, 2Lt., 2Lt. Villamor Belmes 2Lt. Julian Marnuri, 2Lt. Mario Capaycapay, 2Lt. Emmanuel Sinugba, 1Lt. James Joven.

1Lt. Alfredo Manabat, 1Lt. Francisco Atutubo, 1Lt. Edmundo Malabanjot, 1Lt. Mario Antonio, 1Lt. Rolando Cailing, 1Lt. Romulo Evangelista, 2Lt. Virgilio Medrano, 2Lt. Pablo Biglete, 2Lt. Silver Linsangan, 2Lt. Emmanuel Tubongbanuja, 2Lt. Amando Escoto P, 1Lt. Rolando Cacabelos, 1Lt. Belarmino Munar, 1Lt. Emil Ong, and 1Lt. Domingo Tomas.

Military Releases More Rebel Military Officers

HK0609055891 Quezon City Radyo ng Bayan in Tagalog 0500 GMT 6 Sep 91

[Text] The Armed Forces of the Philippines High Command has released more soldiers involved in the failed coup, while administrative charges were filed against some of the accused. Let us hear from Jim Belosano for more details:

[Begin Belosano recording] The two officials of the Philippine Air Force who were among the 29 rebel military officers ordered freed by General Abadia are First Lieutenant Orlando Caballahan and First Lieutenant Wilfredo Genete. The four enlisted men who are facing administrative charges are Master Sergeant Lito Caro, Master Sergeant Virgilio Gongura, Sergeant Francisco Balunto, and Airman First Class Willy Grafil. After the officers Caballahan and Genete were set free, they returned to their Air Force Unit in Villamor Air Base in order to perform their normal duties and functions while awaiting the resolution of their cases. Meanwhile, the four enlisted men were administratively fined under Article of War 105. They were demoted two ranks, and 50 percent of their basic pay will be removed within two months. [end recording]

Arab Investors To Establish Business in Mindanao

HK0209110291 Manila MANILA BULLETIN in English 31 Aug 91 p 2

[Philippine News Agency]

[Text] Cotabato City—Arab investors will start setting up business at the Polloc industrial center of the Autonomous Region in Muslim Mindanao (ARMM) before the end of this year, according to regional Gov. Zacaria A. Candao.

Candao, who just arrived from a Middle East trade mission, said one company, the Al Beritar, is presently conducting soil analysis in the area while another firm, the Dallah Al Baraka, will send representatives next month.

The two firms are just the first of several Arab investors who have signified interest in coming to the autonomous region to engage in manufacturing, fruit processing and other export industries, he said.

The regional governor said the interested companies have pledged to invest from $300 to $400 million each.

Candao said the interest generated among Arab investors is a challenge to the autonomous government to improve the facilities at the Polloc Port and the industrial zone.

The port would be able to berth more than one international vessel at a time and would have warehousing facilities and other amenities, he said.

Candao said that, at present, the industrial zone lacks water and communication facilities, banks, hotels and other facilities for the personal and business needs of international investors.

But, despite the lack of these facilities the Arab investors are coming to build their own ports if necessary, he said.

He said the coming of Arab investors to Polloc will generate thousands of jobs for local residents, lead to industrial peace, stimulate local agriculture and industries with Cotabato to benefit most in the establishment of hotels, banks, shopping centers, communications facilities and from other business ventures.

Candao said that in the long run the Polloc Port will not be able to accommodate all investors and the spillover will go to Cotabato City and the neighboring provinces.

As planned, the area from the Sultan Kudarat side of the Bucana to Polloc Port would be developed into an industrial city while the low lying areas would be reclaimed and subdivided and auctioned to industrial investors, Candao said.

The governor said he had already directed the Department of Agriculture, especially the Bureau of Fisheries, and the Department of Environment and Natural Resources not to renew the fishpond lease contracts upon their expiration. (PNA)

Thailand

Commerce Minister Reports on U.S. Rice Prices

BK0609063291 Bangkok THE NATION in English 6 Sep 91 p A4

[By Atchara Phongwuthitham]

[Text] The United States has agreed to work more closely with Thai officials in calculating world rice prices, a key element used to determine U.S. rice subsidies, Thai Commerce Minister Amaret Sila-on said.

In a written statement sent from Washington, Amaret said that agreement to work more closely was reached when he met U.S. Agriculture Secretary Edward Madigan on Tuesday.

Ever since the United States introduced a new subsidy programme for rice in 1986, under the 1985 Farm Act, Thailand has complained that the Americans' method of calculating their weekly index of world rice prices has never been disclose, leading to the possibility that the calculations could be manipulated in order to increase the subsidies and make U.S. rice more competitive against Thai rice in third markets.

Under the marketing loan programme for rice, credit subsidies are increased if the U.S. Department of Agriculture estimates that world rice prices are falling.

The Americans have all along argued that allowing Thailand to influence the calculations would imply collusion between the two countries and would run counter to competitive principles.

Some U.S. officials have also argued that revealing the methods and formulas used to calculate the world price index would allow American lobby groups such as the U.S. Rice Millers' Association to put pressure on Washington to mark down the world price index and increase the subsidies against Thailand's interest.

Amaret said Madigan agreed to spell out the procedure for calculating rice prices as well as to work more closely with Thai officials.

The large U.S. subsidies have pushed world rice prices below their natural level, and forced Thai farmers—the majority of the Thai people—to sell their produce cheaply, Amaret said. The Thai government is very concerned about this, he went on.

Thailand has also asked the United States to refrain from providing 30-40 year credit for rice sales under Public Law 480, legislation that allows credit subsidies for humanitarian purposes.

According to Amaret, Madigan argued that the PL480 had only been used minimally for rice and that its use would probably not be increased. U.S. rice production next season is likely to fall as well, further reducing the impact on Thai rice, Madigan is quoted as saying.

A leading U.S. Congressman has agreed to support Thailand's request that international agreement to phase out subsidies and protection for agriculture need not apply to crops grown as substitutes for narcotics, Deputy Commerce Minister Pridiyathon Thewakun said.

Further on Rice Subsidy Issue

BK0609015991 Bangkok BANGKOK POST in English 6 Sep 91 p 17

[Text] Thailand has called on the United States to reduce its budget to support rice farmers under the PL 480 Programme and also the review tis U.S. Farm Act which was adversely affecting Thai rice exports.

A report released by the Commerce Ministry yesterday quoted Commerce Minister amaret Sila-on's attempts to get U.S. Secretary of Agriculture, Edward Modigan, to review its agricultural policy.

The policy, especially the PL 480 Programme which provided long-term credit on rice sales for many importing countries, was badly affecting Thai agricultural exports.

Although the U.S. programme aimed to help poor countries buy agricultural products at cheap prices, Thailand was being hard hit as the U.S. was encroaching on traditional Thai rice markets.

Mr Amaret called on Mr Modigan to review its policies during a visit to Washington on September 4.

But Mr Modigan had said Washington planned to inject a lesser budget into the PL 480 Programme next year, so it would not affect Thai rice exports as much as was feared.

He also said U.S. rice crops next year would be slightly reduced from this year, so world rice prices would improve.

Mr Amaret also was concerned about the U.S. Farm act, which affected Thai rice exports.

Under the loan-repayment programme of the U.S. Farm Act, American rice farmers mortgaged their crops with the government at high prices and later could redeem the crops for export at weekly prices set by Washington.

Mr Amaret called on Washington [to] disclose its calculation for weekly world rice prices, because it was not transparent and forced world rice prices down as U.S. prices usually were lower than real market prices.

The report said the U.S. Secretary of Agriculture accepted the Thai proposal and showed good faith in cooperating with Thailand on this issue.

Thailand also urged America to support and provide technical aid for Thailand to increase its soybean cultivation productivity, because for the past few years the Thai Government had failed to increase soybean production to meet the high local demand.

In a related development, Deputy Commerce Minister Pridiyathon Thewakun yesterday met U.S. Congress committee on narcotics chairman Charles Rangel to discuss Thailand's stance on the Uruguay Round of the General Agreement onTariffs and Trade. He said Thailand supported the proposal by the Cairns Group of 14 agricultural exporting countries on farm trade talks.

He said the U.S. congressman would push Washington to support the Cairns group proposal, especially its special exemptions which would be extended to agricultural products which were grown to replace opium production in certain areas.

Commerce Minister Asks U.S. for Investment

BK0609020191 Bangkok BANGKOK POST in English 6 Sep 91 p 17

[Text] Commerce Minister Amaret Sila-on asked the United States to invest more in Thailand's manufacturing industry during a recent meeting with his United States counterpart Robert Mosbacher.

Mr Mosbacher told the visiting Thai trade mission he was concerned about the U.S.'s enormous trade deficit with Thailand.

But Mr Amaret explained the deficit was a result of investment by U.S. companies in Thailand industries such as computers and footwear, the products of which were then exported to the U.S.

Mr Amaret said although Thailand had a trade surplus with the U.S., it suffered a deficit with other trading partners because of its need to import machinery to boost its industrial output.

He said the U.S. should invest more in Thailand's manufacturing industry so more machinery would be imported from the U.S. and the trade deficit reduced.

Thailand had adopted a trade liberalisation policy and reduced the import duties on goods such as computers and computer parts, machinery and motor vehicles.

THE NATION Reports Carla Hills Visit

BK0509022591 Bangkok THE NATION in English 5 Sep 91 p B1

[Text] The Economic Screening Policy Committee will shortly deliberate on the final draft of the 1979 patent law after the Commerce Ministry submitted the bill last Tuesday, said a well-informed government source.

In a related development, U.S. Trade Representative Ambassador Carla Hills is expected to come to Thailand next month to discuss the pending trade dispute on Thailand's alleged failure to protect American intellectual property rights as the deadline for her agency to decide whether to retaliate against Thailand is approaching.

Commerce Minister Amaret Sila-on, said in a statement released yesterday that he had extended an invitation to Hills during their meeting in Washington on Sept 3. Hills, the minister added, was likely to accept the invitation to come to Bangkok in October to pursue a ministerial-level discussion on the issue.

The successful conclusion of the new Thai-U.S. textile agreement, said Amaret in a release distributed by the U.S. Information Agency in Bangkok, set the right atmosphere for both sides to pursue the talk constructively.

"It will set the right frame of mind and a positive atmosphere for our talks on the equally important and equally difficult issues," Amaret said in reference to the discussions on intellectual property.

"The successful outcome of our talks (on the textile pact) is a solid proof that we both negotiate in good faith and are ready to compromise when necessary, (so that) satisfactory solutions can be found," he added.

Immediately following the signing ceremony of the textile pact on Monday, Thai and U.S. trade representatives began talks on intellectual property issues.

Although the Thai government has agreed to tighten its enforcement of the existing copyright law and to promptly propose the revised trademark bill to the National Assembly, it has been reticent in following the U.S. demands on some technicalities in the revised patent law.

According to a government source, under the revised law, most of the products which are currently not entitled to patent registration will be eligible for patenting. These include pharmaceuticals, food, drinks, farm machines and biotechnological inventions.

The protection period is extended to 20 years for inventions and to 10 years for product designs, from 15 and seven years, respectively. However, the revised law maintains that the patent protection would not be retroactive to cover patented drugs not yet available in the Thai market.

Washington insisted that when the new patent law is enacted, drug products registered outside the country in the past 10 years but not yet marketed in Thailand should be eligible for patent registration.

However, the source said the Cabinet still had the authority to make some modifications, if necessary.

The bill also maintains that the government can force patent holders to license their rights if they do not make available patented products in the market in sufficient quantities.

At the same time, the proposed price review board, chaired by the director general of the Commercial Registration Department, will have an advisory role on the Price Fixing and Anti-Monopoly Committee which may decide to revoke the patent or set the licensing conditions if the drugs are found to be sold in the local market at excessively high prices.

The trademark bill will be debated by the legislative assembly on Sept 9. In the meantime, the government has arrested and confiscated pirated goods worth Bt30 million in the past months.

Phao Comments on Narcotics Issue With U.S.

BK0509074291 Bangkok Radio Thailand Network in Thai 0530 GMT 5 Sep 91

[Text] At Government House this morning, Deputy Prime Minister Police General Phao Sarasin talked to reporters after a team of U.S. representatives—New York Democrats—paid him a courtesy call.

Phao said the U.S. visitors, whom he had known earlier, discussed with him mostly general matters.

On the narcotics issue, he was informed that the United States is satisfied with the operations carried out by Thailand on narcotics suppression, while contacts and coordination from both sides have continued consistently. Furthermore, the United States wants more meetings and discussions on this particular issue to be held in this region, because currently there have been more narcotics cases involving Pakistan. In connection with narcotics, Thailand's image has not been adversely affected, said the visitors.

The deputy prime minister went on to say that the U.S. congressmen told him that they have been informed of the change of government in Thailand. They said they expected to see military officials maintaining peace and order when they arrived in Thailand, but they have seen no such picture. They therefore feel that it is quite peaceful here.

Television Reports Prime Minister's PRC Visit

BK0509144091 Bangkok Army Television Channel 5 in Thai 1230 GMT 5 Sep 91

[Text] Ladawan Wongsiwong, spokeswoman to the Prime Minister's Office, reported that Prime Minister Anan Panyarachun will visit the PRC between 22 to 25 September at the invitation of Chinese Premier Li Peng. The visit is aimed at strengthening relations between the peoples of the two countries. While in Beijing, the prime minister will meet high-level Chinese leaders to discuss bilateral relations and the Cambodian problem.

[Begin Ladawan recording] While staying in Beijing, the prime minister will meet high-level Chinese leaders, such as President Yang Shangkun and Chinese Communist Party General Secretary Jiang Zemin. He will also hold official talks with Premier Li Peng to discuss important issues, including Thai-Chinese relations, the Cambodian problem, and issues of common interest.

Besides Beijing, the prime minister is scheduled to visit Pudong, a newly developing area in Shanghai of China, and other important industrial zones of Shanghai. [end recording]

Foreign Minister To Visit SRV 17-19 Sep

BK0509134191 Bangkok Voice of Free Asia in Thai 1030 GMT 5 Sep 91

[Text] Foreign Minister Asa Sarasin will pay an official visit to Vietnam from 17 to 19 September at the invitation of Vietnamese Foreign Minister Nguyen Manh Cam. The visit is aimed at promoting and strengthening relations and cooperation between the governments and peoples of the two countries. During the visit, Asa Sarasin will call on Vietnamese leaders, such as Premier Vo Van Kiet and Vice Premier Pham Van Khai. He will also hold official talks with the Vietnamese foreign minister.

In addition, the foreign minister will travel to Ho Chi Minh City to meet with Vietnamese party and government leaders there as well as Thai businessmen who have entered joint investment ventures with Vietnam in Ho Chi Minh City. Other details of the visit, including preparations for the signing of agreements on the establishment of a Thai-Vietnamese joint commission and on investment protection, are under the consideration of the governments of both countries.

Pol Pot Said To Have Met With Army Chief

BK0509134491 Hong Kong AFP in English 1112 GMT 5 Sep 91

[Text] Bangkok, Sept 5 (AFP)—Pol Pot, the reviled and elusive Khmer Rouge leader, met secretly with Thai military leader General Suchinda Khraprayun before Cambodian peace talks in June, the press reported Thursday.

The notorious Cambodian leader met Suchinda at the general's residence here to discuss the Cambodian peace process, the weekly newspaper MANAGER said, citing a military source close to the army chief.

But other sources claimed the meeting took place in the southeastern border province of Trat, where Pol Pot, 63, is believed to have his headquarters.

Suchinda "made with Pol Pot the same request which he made with all the warring (Cambodian) factions' leaders, that is, that they should try to reach an agreement as soon as possible before the world community gets fed up with the issue" of Cambodia, the military source told the manager.

Pol Pot, a French-educated revolutionary, appeared "positive, flexible and humble" during the meeting, the source added.

The Pol Pot-led Khmer Rouge regime that ruled Phnom Penh between April 1975 and January 1979 is said to have killed more than one million people. Pol Pot reportedly still runs the radical Marxist group, which claims he has retired.

The ASIAN WALL STREET JOURNAL in August was the first media organ to report about Pol Pot's alleged role in the June meeting of Cambodia's Supreme National Council (SNC) at the Thai seaside resort of Phatthaya.

It quoted U.S. intelligence sources as saying he checked into a hotel where the talks were taking place to personally direct the Khmer Rouge team.

The SNC meeting was a major success with a ceasefire pact among the gains.

Khmer Rouge nominal leader Khieu Samphan has denied the JOURNAL report.

The military source also told MANAGER that Pol Pot had no plans to return to power, noting: "a lot of people might be skeptical about this, but we genuinely believe he really means it."

SNC leader Prince Norodom Sihanouk has said Pol Pot would not contest eventual UN-run elections in peacetime Cambodia while adding that he would "encourage" candidates from his faction runup in the polls.

Commentary Views Attitude in Khmer Peace Process

BK0509032191 Bangkok THE NATION in English 5 Sep 91 p A10

[By Kawi Chongkitthawon]

[Text] As the Cambodian peace settlement moves towards the end game, concerned Cambodian parties as well as those major supporters, including China and Vietnam, are emerging as winners after having capitalized on the positive trends. But there is one loser. That is Thailand.

After the infamous February 23 coup, Thailand's so-called "side-line" policy regarding the 12-year-old conflict—non-involvement in the Cambodian peace process—has not only limited the country's role but also deprived Thai policy-makers of any initiative. As a result, the rapid progress surrounding the Cambodian conflict has finally turned the front-line state to a back-bencher.

Before the June meeting in Phatthaya, Thailand took the Phnom Penh government for granted, thinking that the Cambodian reconciliation would not come early or that the two Asian communists nations—China and Vietnam—could come to an understanding on Cambodia that would facilitate the current peace process.

Most importantly, Thailand failed to make useful follow-ups made possible by the progressive policy of the previous administration. In the past weeks when it became clear that the Cambodian factions were beginning to make sense, Thailand finally woke up and began to scramble to gain a foothold in Cambodia—only to find it difficult.

Since the Phnom Penh government was installed in January 1979, Thailand has never dispatched any official delegation to Cambodia, even though Phnom Penh officials have made numerous clandestine visits to Bangkok including a few open ones by top leaders such as Premier Hun Sen and Chea Sim, president of the Cambodian National Assembly.

Earlier contacts between Thailand and Cambodia were restricted to Thai military circles and a few privileged businessmen. Those contacts have been at best one-sided and lacked the broad-based approach that is needed for any constructive diplomatic intercourse to take in the future.

There has been some encouraging signs from the Foreign Ministry that it would "treat" the Phnom Penh side as equal to that of the three resistance factions, after months of giving lip service to that notion. For example, Sarot Chawanawirat, director general of the Political Affairs Department, met recently with Phnom Penh's Vice Foreign Minister Sok An at the Saranrom Palace before the just concluded Phatthaya meeting. It was the first time that Sarot held talks with a Phnom Penh official at the ministry to discuss the Cambodian issue.

It has taken an extremely long time for the ministry to feel comfortable with its own favourite "whipping boy" namely Phnom Penh. It was only recently that the Foreign Ministry decided to dispatch "a technical team" to Phnom Penh, which could soon scour for a new site for the Thai embassy. As of now, the ministry has no plans to send political officials there to assess the situation inside Cambodia independently. The ministry still relies on the military's knowledge and assessment. In fact, the ministry could have a better access, therefore information, from Phnom Penh and developments in the field, if it takes the initiative to send a fact-finding mission there.

Evidently, Thailand is still not quite sure about its own intention for fear that it would upset ASEAN. So, at the moment one has to contend with the current situation. So far, the Thai foreign ministry officials' discussions with Phnom Penh are low-keyed and ostentatious. That helped explain why when the ministry expressed the desire to look for a new place for the future Thai embassy there last month, there was no response.

In private, the Thai side has been blaming Phnom Penh for not being forthcoming where its request was concerned. The old Thai embassy, which is located in the posh Maniwong Boulevard, is too small and situated in a congested area. On the other hand, Phnom Penh would like to see a friendlier Thailand.

It is an open secret that the Phnom Penh government has repeatedly called for an official visit by a Thai delegation—the sooner the better. In more ways than one, the current hiccup was due to the Thai's own reluctance to intensify ties with Phnom Penh. Furthermore, it has something to do with the sense of awkwardness. After years of condemnation, the Foreign Ministry had obstructed any constructive discussion with Phnom Penh. Until recently when the peace process overtook the country's hands-off position, the foreign officials were forced to come to terms with the new situation.

However, the has been a change of heart in Saranrom Palace. Before Prince Norodom Sihanouk returned to Beijing yesterday, Asa conveyed a message to the prince that Thailand would provide emergency aid, including crop seeds, to Cambodia. Since this is the first official aid from Thailand, it can also lead to the dispatching of Thai volunteers to provide assistance in areas such as health care.

For years, the Thai non-governmental organizations have expressed the desire to provide their expertise in various fields to Cambodia, but the government has always discouraged them. Now is a good time to support their endeavour as they could participate in reconstructing war-torn Cambodia, something that is being done by international relief agencies.

Without this realization, Thailand would find itself a stranger in a familiar land.

THAI RAT Interviews Anan on Political Future

BK0509154391 Bangkok THAI RAT in Thai 5 Sep 91 p 3

[Interview with Prime Minister Anan Panyarachun given to THAI RAT's political news team; place and date not given]

[Excerpts] [THAI RAT] You have been in office for six months now. What are the things you feel you have not done according to plan?

[Anan] I am trying to get things done, everyday and every week, but some problems are complicated. To cite an example, the problem of forest conservation is intertwined with the problem of farming land for farmers. The government has laid down a policy to improve the lot of farmers in three to four year. The poverty of farmers cannot be solved in a few days. It requires continuous effort; however, we tend to be impatient and the government is always blamed for doing nothing to help farmers. How many governments have been here before I took office? We must continue working. Anyway, thanks for the encouragement, and do not be disappointed with this government yet. We will try our best. This government has been in office for only six months, but the number of the bills it has presented to the parliament exceeds all other governments.

[THAI RAT] What has been the most embarassing problem for you during these six months in office?

[Anan] Nothing has been embarassing for me. Naturally, you feel tired when you have work. I am not a tense person. I am straightforward. I have no secrets, no prejudice. I make my decision case by case, based on the nature of the problem. It is normal to expect approval or disapproval. This government is not a superman. Although we have cabinet members with high educational qualifications or previous career accomplishments, that does not matter. We must try to get results for our work now, sooner or later.

[THAI RAT] Have you been discouraged after being criticized so much?

[Anan] No. The claim that I did not have full authority in making decisions is not true. I have made decisions independently during the past six months. That I was pressured by the National Peacekeeping Council [NPKC] has been an image made up by the newspapers. I have never been disturbed by the NPKC. I carry on my work as usual, and I always maintain good relations with NPKC. It is possible what I have done sometimes did not come with their approval, but that is again normal. I respect the rules in doing my job. This is why I keep telling you to read the interim charter. I would not interfere into areas that are not my responsibility. The NPKC has adopted the same attitude with me, but if they have proposals to make they can put them to the government. Yet it is not written in the interim charter that the NPKC can order the government. In fact, the NPKC has never done that. I would refuse to take their orders anyway if there were any. This is clearly stated in the charter. [passage omitted]

[THAI RAT] Do you ever think of lobbying for popular support?

[Anan] Never. I was made prime minister under unusual circumstances. Should the situation be normal, I would not have been in this situation. Well, I think such unusual circumstances would not recur in Thailand, in which case I would not have to consider such a proposal anymore.

[THAI RAT] That means you will accept being a prime minister only when asked by a junta that has come to power through a military takeover?

[Anan] That is a good question. Let us hope that there would be no more coups so that I will not have to answer your question. I am doing a normal job, and I try to do the right thing. I realize that I assumed office in an unusual manner, but it was not me who created the situation. It was a fait accompli when I took the job. I have risked myself once. There is no need for other risks.

[THAI RAT] If the people want you?

[Anan] The people are again being used as a pretext. Well, it is difficult to understand this country! I believe you can do a good job only when you enjoy the work you are doing. But if you do not like the work you are doing, you cannot accomplish anything. As for myself, I do not like the prime minister's job, but I am doing my duty with all my heart and honesty. But I do not like the job.

[THAI RAT] Have you become afraid of the job after being prime minister only once?

[Anan] It is not a question of being afraid or not. I do not like the job. I used to enjoy my work when I was with the Foreign Ministry. I loved my work when I was with a private company. But now as a prime minister, I am proud of the job but I do not like it.

[THAI RAT] You have been working for six months, yet you say you do not like being prime minister. Why is it so?

[Anan] It is difficult to change my character. You might have got another answer if you had asked me this question when I was 24 or 25 years old. I am nearly 60 now, and I am an easy person. I have already been working hard throughout my life. Now I would like to have the time to do private things such as sporting, vacationing with my children, and dressing casually. I do not like to lead a life with set patterns. Although I have a loose pattern to follow as prime minister, I am still not used to it.

I do not like wearing suits or neckties to work. You cannot have a simple life if you are prime minister. Well, the prime minister is public property. But I am myself and I belong to my family. On this, you cannot change me.

[THAI RAT] Would you take up the offer if elected politicians or political parties voted for you to be prime minister?

[Anan, laughing] I am old now.

Anan Denies Conflict With Military Leaders

BK0609021391 Bangkok BANGKOK POST in English 6 Sep 91 p 1, 3

[Text] Prime Minister Anan Panyarachun yesterday dismissed fears of possible head-on conflict with the military leaders who installed his administration.

He cited clear-out rudles in the interim Constitution and mutual trust as their basis for constructive relations.

The Premier's statement came following the widely-reported three-point demand by the National Peace-Keeping Council that the Anan administration speed up efforts to solve the problem of traffic congestion, high prices for essential goods and the question of taxing interest on ordinary savings accounts.

He told a round-table discussion organised by the Harvard Club in Bangkok last night that his Government has no serious conflict with the NPKC.

Apart from their roles stipulated in the interim Constitution, another factor helping to prevent any serious conflict between the Government and the NPKC is his straightforward approach.

"I always make it clear that I am a straightforward person. I do not stab others in the back. I have no secrets and accept the differences in opinion. Having different opinions does not necessarily mean that we have to quarrel.

"I am working happily but nobody believes me when I say that I have no conflict with the military, although there are problems and differences of opinion," Mr Anan said.

The key factor which would help maintain good relations between the Government and the NPKC is that each must respect the rules.

"The rules between myself and the NPKC were written in the interim Constitution.

"As long as both sides respect the rules, have mutual trust, compromise and try to solve problems jointly, do not hold back secrets or try to undermine the other, these will provide a basis for constructive relations," Mr Anan said. It is impossible for the NPKC to agree with everything he thinks and vice-versa. The roles of the Government in administering the country and the NPKC in providing advice must be respected.

Forced out of the bureaucratic system 17 years ago by the military, the Prime Minister said he is no longer the type who wants to confront or clash with others.

Mr Anan said it could have been his own fault the military disliked him.

"But things have changed a lot. I am a working man and I don't want to look at the past."

He said problems exist for his administration "but they are not problems which cannot be solved. They have to be tackled jointly. It's only a question of who has the power and knows best."

Touching on democracy, Mr Anan said Thais are paying too much attention to the form of the country's ruling system, such as the Constitution and the electoral system.

He quickly added, however, that this did not mean people's concern over the problems is a bad thing but more emphasis should be placed on the public understanding of democracy.

Public awareness of rights and freedom can be achieved without cost but must be exercised responsible.

Mr Anan said he has avoided commenting on the drafting of the Constitution because this task is not the Government's. If he, as prime minister, commented about politics there would be problems and confusion.

But this did not mean he could not make political comments.

He has the responsibility for administering the country and would rather restrict his comments to Government affairs and focus his attention on trying the organise the election the best way he can.

Party Leader Says Army Chief 'Next' Premier

BK0509012391 Bangkok BANGKOK POST in English 5 Sep 91 p 3

[Excerpt] Solidarity Party leader Bunchu Rotchanasathian said yesterday the "powers-that-be" are making army commander-in-chief Gen Suchinda Khraprayun the next prime minister.

In a speech on election strategies for 1992, Mr Bunchu quoted Gen Suchinda as saying his status in the future would depend on the situation in the country, which, the Solidarity leader said, means the powers-that-be would create a situation in which the Army commander-in-chief could become premier.

He apparently referred to the National Peacekeeping Council [NPKC].

"The Army chief has been and will be supported (to be the next premier) under the circumstances which are to be created," he said.

Mr Bunchu predicted that vote-buying would be more rampant than ever in the next general election because a certain big party would try hard to get as many MPs as possible.

If the election was held under the party slate/combined constituency mode, good politicians would lose and those aligned or belonging to the pro-military party would win, the Solidarity leader said.

Mr Bunchu apparently referred to the Samakkhi Tham Party.

He said if the election was held under the divided constituency mode, good and poor politicians could win.

New Aspiration Party [NAP] member Khanin Bunsuwan said a leader of the NPKC will become the next premier and the military junta will retain power through the Constitutional Committee.

Mr Kanin apparently referred to Gen Suchinda.

"The NPKC leader would take over the premiership without sweat in the election," he said.

The NAP member called such a "constitutional set-up" undemocratic and politically unethical."

Mr Kanin agreed with Mr Bunchu that a party has been set up as a "task force" only to help make the Army chief the next premier.

The "task force" party is stealing many of the politicians from other parties to gang up and win the next general election, the NAP member said.

He said that party has even threatened those who are reluctant to join it that they would otherwise lose in the poll because "it has taken control of the state power." [passage omitted]

Military To Receive Funds Via Normal Means

BK0509010191 Bangkok BANGKOK POST in English 5 Sep 91 p 1

[Text] The military will have to go through normal channels in its request for more defence funding and it will not receive any special privileges from the Government, according to Prime Minister Anan Panyarachun yesterday.

"We are not a dictatorial administration which can do anything swiftly. Every issue must be thoroughly screened," he said when asked about the request.

Supreme Commander and National Peace-keeping Council [NPKC] Chairman Suthon Khongsomphong said Tuesday that he had asked the Anan administration to approve an increase in the military budget so the three armed forces could purchase more weaponry.

Gen Sunthon refused to say how much in extra funds he had sought, but said they were necessary if the military was to maintain the country's combat readiness. He said Mr Anan promised to raise the matter in Cabinet.

There have been reports that Gen Sunthon has also requested another 19.70 billion baht to buy 38 AMX jet fighters for the Royal Thai Air Force.

The Prime Minister said yesterday the Finance Ministry was considering the request, but he could not remember it in detail as it had to go through the proper channels.

He said he thought the increased funds were needed for part of an arms purchase agreed to in the past.

Mr Anan said he could not say whether the Government would approve the request as he had to wait to see the findings of the Finance Ministry.

Deputy Defence Minister Gen Wimon Wongwanit said yesterday the Government may not have sufficient funds for an increase in the military budget.

Defence Minister Adm Praphat Kritsanachan said Gen Wimon was in charge of reviewing the request and he had no details.

Gen Wimon said the Government has already decided to raise the daily subsistence payments to low-ranking military personnel from 36 to 45 baht.

"But as for the budget for buying armaments, I think we'll have to wait until the Government has enough money," he said.

Navy Chief-of-Staff Adm Wichet Karunyawanit, meanwhile, said the Supreme Command appreciated that all branches of the armed forces including the Navy were in need of more funding.

A former MP criticised the request for more defence spending, saying it contradicted efforts to reduce conflicts worldwide and in the region and went against the NPKC's demand that the Government raise the people's living standards.

Former Chachoengsao MP and New Aspiration Party member Chaturon Chaisaeng also alleged that the price for some of the weapons systems had doubled since last year when the Chatchai Chunhawan government rejected a similar request.

"In just over a year the price has gone up two-fold. How can it go up so far?" he asked.

The NPKC recently called on the Government to deal with three urgent problems affecting the people: the rising cost of consumer goods, the worsening traffic jams in Bangkok, and the waiving of the controversial 15 tax on savings deposit interest.

Gen Sunthon also called on the Government to provide free medical care for all Thais.

Mr Chaturon said the request for new weaponry went against these demands as the Government could not afford to increase defence spending as well as provide free universal medical care.

"Maybe the NPKC wants to buy rockets to destroy all the cars in Bangkok as a means of solving the traffic jams," he joked.

The former MP claimed there was no justification for increased spending for new weaponry as this defied the global trend towards reduced conflict.

There is no cold war or tensions between superpowers, and Thailand's relations with its neighbours have also improved greatly, he said.

Mr Chaturon said no one would object if the money requested was for improving the administration of the armed Forces or for raising the welfare of the soldiers. But, even then, such a request must be in keeping with the needs of the nation.

The request for increased weapons spending would require repayments to foreign arms producers for the next 10 years. The Chatchai government rejected the request and asked the military to review its demands.

"This government was not elected, so it's like asking your friends for the budget. The people have nothing to do with it even though they and their children will pay the cost," said Mr Chaturon.

He said the request should best be postponed for the elected government to consider.

Sunthon Defends Military Arms Purchase Plans

BK0609012391 Bangkok THE NATION in English 6 Sep 91 p 4

[Text] Supreme Commander Gen Sunthon Khongsomphong yesterday defended the military's huge arms-purchase plans, while Prime Minister Anan Panyarachun said he alone could not decide on the armed forces' budget request.

Sunthon, who will retire at the end of this month as supreme commander, said Thailand needed to upgrade its defence capability even during peace time.

"Politicians can criticize us," Sunthon said, "but nobody knows how necessary it is for us (to have more arms). If a military doesn't prepare itself during peace time, it will be caught off guard when a war breaks out."

The military is said to be pushing for government approval for its arms purchase schemes worth ten of billions of baht. But its request has come under the suspicious public's scrutiny, particularly when the military is asking the government to improve the well-being of the people.

Democrat leader Chuan Likphai yesterday rapped the military for its multi-billion-baht spending programme, but predicted the armed forces would get what they want.

Chuan said it was not appropriate for the military to request such a big spending budget when the country's internal problems stemming from the Feb 23 coup remained unsolved.

But he said it was a normal practice for coup makers to exploit their success by charging ahead with enormous arms-purchase schemes.

"They (the military) always did that in the past and always succeeded. This time I think they will succeed again," Chuan said.

Chat Thai Party member Chaturon Chaisaeng said Wednesday the arms purchase plan ran against international developments and belied the armed forces' vow to solve the country's problems.

"The huge budget request belies the National Peacekeeping Council [NPKC]'s repeated pledge that it wanted to improve living conditions of the people," the former Chachoengsao MP said.

He noted that the NPKC had asked the caretaker government to solve three urgent problems, including Bangkok's worsening traffic congestion.

"I wonder if the NPKC wants to buy missiles because it wants to shoot them at cars on Bangkok street to solve the traffic problem," he said.

Prime Minister Anan has denied reports that the military was "intimidating" his caretaker government in order to enforce its budget request.

Sunthon had said a major topic during a dinner earlier this week between Cabinet members and NPKC men was the budget issue.

"If the military had wanted to intimidate us, it would not have sat down and explained things to us like this," Anan told a group of reporters on Wednesday.

"Men like Gen Sunthon and (air force chief) ACM [Air Chief Marshall] Kaset (Rojananil) will not and cannot intimidate others. Thai people seem to have a wild imagination," he said.

In another interview yesterday, Anan said he alone could not decide on big budgets.

"It's not something to be decided by one person; otherwise you (reporters) will brand the government undemocratic," the prime minister said.

He added that the government's scrutiny of budget requests "must be thorough and careful".

The Supreme Command has instructed the Aviation Department to seek a special budget from the government to buy five Chinook helicopters for search and rescue operations from the U.S.-based Boeing Helicopters company at a cost of about Bt2 billion.

The plan is in addition to the major spending programme sought by the Supreme Command that seeks to buy Bt24 billion worth of Crotale air-defence systems from France, and 38 AMX jet fighters, worth Bt19.7 billion, from Italy and Brazil, among other items.

Generals Add 5 Helicopters to Shopping List

BK0509012191 Bangkok THE NATION in English 4 Sep 91 pp A1, A2

[Excerpt] The Supreme Command has instructed the Aviation Department to seek a special budget from the government to buy five Chinook helicopters from the U.S.-based Boeing Helicopters company at a cost of about Bt2 billion for search and rescue operations.

The Chinooks, commonly known as "jolly green giants" during the Vietnam War, will be operated by the air force but the Aviation Department has to foot the bills for procurement, maintenance and all related expenses. In effect, the department will pay for the helicopters for the use of the air force.

This marked another major spending programme sought by the Supreme Command in addition to the Bt24 billion plan to buy 20 sets of Crotale air defence systems from France, and the Bt19.7 billion plan to buy a fleet of 38 AMX jet fighters from Italy and Brazil.

The request to buy the five Chinooks, which are tandem-rotor helicopters, was made during the Chatchai administration. But the Transport and Communications Ministry had not begun to study the project before the government was toppled by the Feb 23 coup.

The Supreme Command had already bought two Chinooks of the CH-47 series at a cost of $69.7 million in early 1989, and later went ahead to exercise an option to buy three more Chinooks of the CH-47D model, which are international military Chinooks, all for use by the air force.

The twin-rotor Chinooks are used in heavy-duty external lifting and can accommodate between 33 and 40 people. The CH-47D version has a maximum gross weight of 50,000 pounds, and can carry up to 26,000 pounts on its triple-cargo-hook system.

In the latest move, the Supreme Command initially sought to buy five more for civilian search and rescue operations but could not get budgetary allocations from the Budget Bureau when it requested for them. The bureau pointed out that the search and rescue operations are the responsibilities of the Aviation Department and the agency should be the one to propose such a procurement plan.

According to informed sources, Supreme Commander Gen Sunthon Khongsomphong, who is due to retire at the end of this month, wrote to Transport and Communications Minister Nukun Prachuapmo late last month to prod him to go ahead with the Chinook procurement project, which was pending since the previous administration.

However, the minister considered that the project was not urgent and decided to put it on hold. The sources said that the Supreme Command wants the ministry to make a decision as soon as possible.

Amidst the signs of further delay, the Supreme Command later instructed Deputy Transport and Communications minister ACM [Air Chief Marchal] Suthep Thepphrak, who is also the air force chief-of-staff, to discuss the issue with Minister Nukun.

The minister, who earlier had a squabble with another deputy, Gen Wirot Saengsanit, also the army chief-of-staff, did not want to have another conflict with more military figures and key members of the National Peacekeeping Council, agreed to let Suthep handle the Chinook procurement project.

Suthep then proposed the plan to the Economic Scrutiny Committee, set up by the military junta, but it has not yet made a decision so far after the first round of discussions. At the same time, the Budget Bureau pointed out that only three Chinooks should be bought at this stage due to budgetary constrains. If the three were not enough, then more Chinooks could be bought later.

The Aviation Department's Search and Rescue Centere has established arrangements with the Police Aviation Division and the air force to coordinate search and rescue operations in major accidents and natural disasters. The police, however, have small helicopters and only the air force has large ones.

The department pointed out that large helicopters like Chinooks are not suitable for search operations in dense forests and mountainous terrain, but they could be more effective in rescue work. For example, large vehicles blocking a road in major accident can be hauled away by Chinooks.

The air force indicated that the current fleet of Chinooks is not sufficient. An aide to ACM Suthep said that if the latest plan goes through, some Chinooks would be stationed in the provinces to ensure prompt operations if disasters struck in rural areas. [passage omitted]

Cabinet Unveils Economic, Social Plan

BK0409032791 Bangkok BANGKOK POST in English 4 Sep 91 pp 1,3

[Text] Thailand plans to become the most powerful ASEAN economy and the region's economic frontline state through developments outlined in the 7th Plan period approved by the Cabinet yesterday.

Cabinet yesterday approved in principle the National Economic and Social Development Plan (1992-1996) at a special meeting attended by the ministers and permanent secretaries of every ministry and members of the National Economic and Social Development Board.

NESDB Secretary-General Phisit Phakkasem said after the meeting the 7th Plan would create three "new dimension"—affecting economic development, rural development and social harmonisation.

The First Dimension calls for the Thai economy to be upgraded into a regional frontline state and the most powerful among the ASEAN countries.

The target has been set to raise the country's gross domestic product (GDP) to U.S.$172 billion per year.

An economic growth target of 8.2 percent per year was also set.

The per capita income target at the end of the 7th Plan has been set at 70,000 baht, 75 percent up on the target of 40,000 baht set under the 6th Plan.

He said this high per capita income would give the country the status of a newly-industrialised country.

The 7th Plan originally set an economic growth target at 9 percent but, with the growth of exports expected to contract from 17 percent to 14 percent as a result of global economic fluctuations, the economic growth target was lowered to 8.2 percent.

The NESDB believes the 8.2 percent target will be immune to changes resulting from political shifts.

The 7th Plan has set a growth target of 3.4 percent for the agricultural sector.

Efficient growth during the plan period is expected to help reduce the current account deficit and prevent the economy from overheating.

The growth will include increased production through the use of new technologies and agricultural developments applicable to new industries.

The Government will emphasise textiles, garments, agro-industry, electronics, petrochemicals and steel production in the industrial sector.

Support will be given to the private sector so it can invest freely in these six industries. The Government will not provide protection but will help investors so their products meet international standards and are competitive on the world market.

Dr Phisit said the 7th Plan aims to make Thailand the region's financial market in terms of international trade, it will promote the Stock Exchange of Thailand so it develops as an international market and it will improve the rates of currency exchange.

The Government also hopes to solve the problem of bottlenecks affecting infrastructural facilities.

The Government invested 300,000 million baht through state enterprises to solve these problems during the 6th Plan period. But under the 7th Plan the funding will rise to over 800,000 million baht, so the meeting decided it was best to encourage more private sector involvement.

Communications Minister Nukun Prachuapmoh recommended that the government deregulate communications to put it on a more commercial basis through allowing more private investment.

He suggested that the NESDB draw up a deregulation plan as soon as possible.

Dr Phisit said more energy would be needed during the 7th Plan, so the Government would have to increase production and join with neighbouring countries in its joint use.

In terms of manpower, the 7th Plan plans to produce 15 engineers, 10 scientists and 200 technicians for every 10,000 people.

The area under the Bangkok Metropolitan Administration will be further expanded to link up with the Eastern Seaboard.

The plan's Second Dimension calls for the country to become a just society with less widespread poverty.

It will aim at reducing the number of poverty-stricken from 24 to 20 percent of the national population.

The Government will concentrate on raising the incomes of farmers, hired hands in the agricultural sector, those engaged in small commercial undertakings in urban areas, general workers and government officials.

Zones with backward economies will receive more specific improvements.

New economic zones will be fixed in the Mid-South Region, the Eastern Seaboard and Upper Central Region.

More principal cities will be created as centres of regional development.

Two per cent of the annual national budget will be allocated for implementing income distribution. The 1992 Budget provides 6,500 million baht for this purpose.

More short- and long-term loans will be provided for the agricultural sector.

Government officials and employees will get higher salaries.

Property tax will be introduced to replace the local development, land and household taxes to prevent wide-scale purchase of land by investors and to encourage the wider distribution of property ownership.

Provincial industry officers will be empowered to issue permits for the establishment of factories in support of general industrial development.

Education will be improved in rural areas. The compulsory study period will be raised from six to nine years.

Farm children will be given beter education opportunities. They will receive "education coupons" which will ensure their education expenses are handled by the Government.

The Third Dimension covers improvements in the quality of life of most Thai people and attaches greater importance to developing the nation's natural and human resources.

Rural areas have become influenced increasingly by urban characteristics, and heart disease and cancer have become number one killers, instead of number five or six as in the past. The Government intends to play greater attention to this trend.

The Government regards AIDS as relatively unimportant because it mainly concerns human behaviour and is not a communicable disease immune to prevention.

Protected forest areas will be increased from 15 to 20 percent of the country.

There will be clear and specific plans for solving pullution in the Chao Phraya and Tha Chin Rivers.

Leaded fuel will no longer be used in vehicles by the end of the 7th Plan period.

Dr Phisit said finally that Prime Minister Anan Panyarachun had instructed the NESDB to restructure the bureaucratic system so it was in line with changes in the domestic and global economies.

Editorial Urges Rethinking Plan

BK0509013991 Bangkok BANGKOK POST in English 5 Sep 91 p 4

[Editorial: "7th Plan shows need for developmental rethink"]

[Text] Former prime minister Chatchai Chunhawan once boasted that hundreds of thousands of millionaires were created during his tenure. He was of course correct in claiming so. Against an explosive speculation in stock and property prices during 1989-90, land values in Bangkok and the provinces designated for development skyrocketed which resulted in countless cases of once-poor farmers becoming overnight millionaires after selling off their land plots. What the former premier failed to take into account was the more ominous side of the same coin in that millions of nouveau poor were also created as a result of excessive speculation during his tenure. The millions of urban-based middle class families simply could no longer afford such basic things as housing.

Perhaps a less graphic but nonetheless similar illustration can be found in the inherent distortion of other macro-economic statistics such as Gross Domestic Product (GDP) growth and per capita income. It is no secret that most of the national wealth that has been derived from the consecutive years of high economic growth, especially those during the Chatchai administration, has been concentrated in the hands of the minority mercantile and entrepreneurial classes while the country's majority poor population have gained little from the "trickle-down" effect. The same distortion is hidden in the per capita income where the average figure—US$1,238 in 1989—reflects a cross calculation of the low income base of the majority poor balanced out with the enormously higher earnings of the minority rich.

These apparent distortions underscore disturbing flaws in the country's developmental processes to date. After six five-year development plans, Thailand can claim some fairly impressive achievements on the macro economic front. Driven by consistent expansion in the manufacturing and export sectors, the successive periods of high economic growth have placed the country at the forefront of the world's developing economies. But the international accolade belies the various negative consequences that have resulted from the largely distorted growth pattern. Private economists and government officials have concurred on numerous occasions that the country's impressive growth record has been achieved at the expense of massive depletion of natural resources and sharp deterioration of environmental conditions. Since the gap between rich and poor has widened, this distorted income distribution pattern arouses even greater cause for concern.

As the country is on the verge of launching the new 7th Plan, which was approved by the Cabinet on Tuesday, there are causes for a serious rethink on national developmental strategy from now on. As though they have not appreciated the seriousness of the flaws inherent in similar plans that were implemented in the past, senior officials of the National Economic and Social Development Boards (NESDB) who are responsible for drafting the 7th Plan have continued to place emphasis on fundamental goals such as fairly high economic growth (an 8.2% target annually), higher per capita income (70,000 baht by the end of the 7th Plan period) and large infrastructural investment. To be fair with them though, poverty alleviation and a general improvement in the people's quality of life have also been identified as the two other key dimensions aside from the first goal of upgrading Thailand into the region's economic frontline state.

Clearly the objectives on "development" and "growth" have to be re-defined if Thailand is to avoid the same mistakes committed in the past. In the broad context, growth will have to be more equitable and the wealth from national economic prosperity will have to be more evently distributed since we can no longer afford to continue with the same distorted pattern as in the old days. More specifically, an overall improvement in the quality of life of the majority people should be given greater priority over sheer growth objectives.

Clear targets should be set and proportionately more budgetary resources allocated to improve the rural people's basic amenities such as education, health and potable water supply. At the same time, a clear strategy and operational plan should be mapped out to resolve the chronic problem plaguing the large number of landless farmers once and for all through the allocation of land titling and occupational assistance. Variously estimated at numbering in the hundreds of thousands of more than one million families, these landless farmers have been "illegally' occupying denuded forest reserve.

It would be ideal if the dual objectives of ensuring high national growth while effecting a better quality of life for the people can be accomplished at the same time. But after successive plans that have placed emphasis on the former over the later, it is time the priorities are reversed. If a realignment of the priorities should result in a growth rate that is lower than the targetted 8.2 percent annually over the next five years, so be it!

Committee Approves Plan for Burma Exiles

BK0509015591 Bangkok THE NATION in English 5 Sep 91 p A3

[Text] The government screening committee on security affairs yesterday approved in principle Interior Ministry-sponsored proposal to build a Bt10-million "safe centre" for exiled Burmese students in Pak Thor's Ratchaburi district and would submit the proposal to the Cabinet soon, a senior Interior Ministry said.

Deputy Interior Permanent Secretary Chamnan Photchana said that Bt3.5 million of the budget if approved by the Cabinet will be used for the renovation of Suan Phung Camp in Ratchaburi which is capable of holding 1,000-1,500 students. The remaining budget will be used to meet administrative expenses.

Thai government will be responsible for administrating the holding centre which was formerly a border patrol police camp, he said.

The students will be asked to contact the Interior Ministry for registration and undergo screening prior to their settlement in the holding centre.

At present, there are about 1,200 Burmese students who are under the protection of the United Nations High Commisioner for Refugees (UNHCR), Chamnan said.

At the centre, proper education and vocational training will be provided for the students.

Chamnan said the Burmese students residing in Thailand should not be granted refugee status like Laotians or Cambodians because they will be able to reside in Thailand indefinitely. The students should be given the status of "visitor" but should not come under the protection of the UNHCR which would given them refugee status.

Suwit Suthanukun, secretary general of the National Security Council, said last month that the camp would receive only Burmese students but not other illegal Burmese immigrants such as monks or civilians. A lot of them have fled here in fear of political persecution at home.

Pakistani Gang Blamed for Saudi Murders

BK0409042791 Bangkok BANGKOK POST in English 3 Sep 91 p 3

[Text] The killing of three Saudi diplomats early last year was the work of a Pakistani criminal gang in Phatthaya which preyed on Saudi tourists visiting the beach resort, the Police Department has concluded.

Police Department Chief Gen Sawat Amonwiwat said this conclusion has been translated into Arabic and sent to the Saudi capital, Riyadh.

The killers committed the crimes in an apparent vengeance for the embassy's request for Thai police to take legal action against the gang which drugged Saudi tourists before robbing them, he said.

All the gang members fled the country after the Police Department sent a task force to crack down on criminals at the seaside resort.

Australian Envoy on Indochina Opportunities

BK0409031891 Bangkok BANGKOK POST in English 4 Sep 91 p 17

[Text] Opportunities exist in this region for Australia to break out of its domestic economy impasse and develop a mutually beneficial relationship with Thailand and Indochina.

The three key sectors in which Australia could "plug in best" in this region are environment, infrastructure and public health, as Australia possess the required skills, technology and materials, according to Australian Ambassador to Thailand Richard Butler.

He told an Australian-Thai Chamber of Commerce gathering yesterday that Australia's mission to Phnom Penh would become a viable mechanism through which Australian business interests could relay their concerns with regards to their future activities in Cambodia.

Mr Butler was accredited to head the Australian mission in Phnom Penh attached to Cambodia's Supreme National Council, which will be officially headquartered in the capital this November.

"The list of problems and onslaughts we are facing (in internal economy) is long. But I suggest that this is not by any means to say that Australia is out of the game. It's not so at all," he said.

Rather, Australia could alter the situation by looking to the Asia-Pacific region, particularly Thailand and Indochina.

In Thailand, rapid economic growth has brought about environmental problems, infrastructural bottlenecks and an inadequate public-health system.

"The negative consequences of such growth have been felt in the areas of infrastructure, pressure on the environment, and in some social fields, particulary public health. Those are public policy issues that are problems of the Thai Government," he said.

Australia possess a number of skills and materials required to meet those needs, whether in construction of roads and bridges, electricity generation systems or telephone communications, among other things.

"It's important for us to recognise the real mutuality of the relationship that exists in this field of major infrastructure projects," Mr Butler said, adding that the same was true for the environment.

"Relatively unplanned growth brought about significant threats to the environment in terms of waste disposal, toxic waste and water. It's more than interesting that in those fields, some of the most advanced research and technology in the world has been developed in Australia," he said.

"Thailand needs these things and we are very good at them. This is an other example of complement potentiality within the two economies."

It is also the same situation for the public-health system, where Australia has the professional and technological advantage.

Once the Cambodian problem is settled, Thailand and Indochina will become a market of 134 million people, an area determined to progress, with an appetite for trade, aid, cooperation, investment and money.

Looking at the development in the region and given the problem that the Australians are facing in their domestic economic situation, Mr Butler said peace in Indochina would open up opportunities for Australia.

Technology is the key to Australia's role in this new market place, he said.

"That's where we are qualified. That may be the unique contribution that our country can do for this region in the future and may well be the way Australia can plug in best to the future of its economy, which must be forged in cooperation with Thailand and the Indochinese countries," Mr Butler said.

Companies Coordinate on Telephone Link

BK0509021991 Bangkok THE NATION in English 5 Sep 91 p B24

[Text] The Telephone Organization of Thailand [TOT] has jointed hands with Acumen Co to provide a Bt1 billion domestic telephone transmission link through satellite.

The so-called Integrated Satellite Business Network (ISBN) will be the first telephone project to be trasmitted through satellite.

The ISBN project aims at supplying telephones to needy areas. The targets include resorts, offices and factories.

The project will provide about 600 telephone lines, of which 100 to 200 will be available by the end of this year.

Aphisai Photharamik, chairman of Acumen, said the first task of the company will be to install satellite transmission link equipment in 10 provinces, of which the installation has been completed in seven provinces.

Users of the service will have to pay Bt55,000 per each telephone line, including installation cost of Bt25,000 per line. the maximum installation cost regardless of the number of lines is Bt50,000.

The service charge per month, or 500 minutes, is Bt5,000. Any use in excess of 500 minutes will be subject to another charge of Bt5,000.

Koset Amattayakun, director of TOT's Department of telecommunications Network, said the high cost reflects the expenditure on leasing line using Indonesia's Palapa satellite at U.S.$660,000 annually and the fixed investment cost to install the equipment.

But he expressed confidence that the service will be popular among users such as resorts and factories which have no access to conventional telephone lines.

Somsak Phana-ek, managing director of Acumen, said most of the customers will be in the provinces. And even the planned one million telephone line project in the provinces will not be able to meet the demand.

The cost per minute of the new service will be Bt10. It is expected to be popular during the next four to five years before the completion of the installation of one million new telephone lines.

Acumen will provide customers with imported satellite dishes since Samat Telecom's satellite dishes can only be used for television transmission and not telephone.

Acumen, a subsidiary of Jasmine International Co, has a registered capital of Bt120 million.

The concession is for 15 years and TOT will earn an income of 17 to 25 precent during the concession period.

The company is the first to have been awarded telecom transmission through satellite covering sight, sound and information.

Vietnam

Commentary Optimistic on U.S. Ties

BK0609110991 Hanoi Voice of Vietnam in English 1000 GMT 6 Sep 91

[Station commentary on "Vietnamese-U.S. Relations"]

[Text] Together with the positive developments in the Sino-Vietnamese relations, there were new developments in the Vietnamese-U.S. relations.

The two countries are accelerating the settlement of the missing-in-action issue. A joint team of the two countries consisting of 11 Americans and 20 Vietnamese came to Quang Binh Province, 300 km south of Hanoi, to search for remains of an American pilot whose plane was shot down there 23 years ago. The head of the team, Major Colonel Brenda Bradley, said: The search has been carried out smoothly. Earlier, another team had come to the central provinces of Vietnam and compiled a list of 1,811 U.S. planes [figure as heard] shot down in this area in the years between 1964 and 1973. According to Mr. Luu Van Tho, who is in charge of the joint team, the cooperation between Vietnam and the U.S. in solving the missing-in-action issue is going smoothly.

Meanwhile, the U.S. Government has facilitated conditions for nongovernmental organizations to come and work in Vietnam. In addition, last month the first direct U.S.-Vietnam air flight landed at Tan Son Nhat Airport in south Vietnam.

Over the past few days, many figures in the American political circles have voiced their support for the normalization of the U.S.-Vietnam relations. After having talks with Vietnamese Deputy Foreign Minister Nguyen Dy Nien in Bangkok, Assistant to the U.S. Secretary of State Richard Solomon said that the U.S. wants to have good relations with Vietnam. Deputy Assistant to the U.S. Secretary of State Kenneth Quinn, upon returning from Vietnam, also expressed his wish for the normalization of U.S.-Vietnamese relations.

This has also been Vietnam's desire. Speaking at the reception given the U.S. representatives in Hanoi in mid-August, General Secretary of the Communist Party of Vietnam Do Muoi said the visit of the U.S. representatives to Vietnam would help to strengthen the mutual understanding between peoples of the two countries and contribute to promoting the process of normalization of U.S. Vietnamese relations.

These developments show that there has been progress in bilateral relations. Radio BBC said on August 6 that there have been positive changes in the U.S.-Vietnamese ties and that there were more positive signs from the U.S. side. Despite existing problems in the U.S.-Vietnamese relations, these developments make people optimistic about the future of U.S.- Vietnamese relations.

Reports from the White House of the U.S. National Security Council said there will be official trading relations and normalization of relations with Vietnam in the near future. U.S. Senator [title as heard] Solarz told newsmen in Hong Kong on Thursday that the U.S. is approaching a new stage of history concerning U.S.-Vietnamese relations.

Vietnam hopes that the Americans' words will be matched by their actions, thus making contributions to restoring the U.S.-Vietnamese relations to meet the aspirations of people in both countries.

Commentary on Confidence in Cambodia Settlement

BK0509121191 Hanoi Voice of Vietnam in English 1000 GMT 5 Sep 91

[Station commentary]

[Text] The settlement of the Cambodian issue has not been out of view but within reach. This result has not been achieved by chance. Our radio has this to say about this issue.

After the formal meeting of the Supreme National Council of Cambodia ended in Phatthaya last month, confidence of the process of solving the Cambodian issue has been built up. The meeting achieved important results, creating conditions for the convening of the Paris International Conference on Cambodia. What is more important is that the meeting basically solved the key problems such as the forces of all Cambodian sides and the future political system of Cambodia. This makes people believe that the settlement of the Cambodian issue can be achieved provided that all Cambodian sides exert efforts and determination to continue contacts in the spirit of goodwill and solidarity. This achievement can also be attributed to the ability of the Cambodian people to settle their problems themselves.

In recent months many countries such as Vietnam, France, Indonesia, and China have supported and actively cooperated with the Cambodian side to help them settle their internal affairs. Radio BBC in a broadcast last week said that 'since the Cambodians cooked their own meal, it seems that the process of settling their problems is more plain-sailing [as heard] and favorable to achieve significant results. This has led to unexpected results of important significance. In particular, contacts have been made such as the meeting between Vietnamese Deputy Foreign Minister Nguyen Dy Nien and Prince Norodom Sihanouk and between Chairman Hun Sen and Prince Sihanouk. A year ago no one can think of such a significant meeting and that Prince Sihanouk accepts invitation to Vietnam where he has many friends and memories after the 1970 coup d'etat conducted by Lon Nol. Until the end of this year, they were the important events in the settlement of the Cambodian issue. It is well-grounded to say that the Cambodians are completely able to solve problems pertaining to their sovereignty in the spirit of national reconciliation and concord.

Foreign Countries Send National Day Greetings

BK0509160791 Hanoi VNA in English 1551 GMT 5 Sep 91

[Text] Hanoi VNA Sept.5 - Vietnamese party and state leaders have received messages of greetings from leaders of Laos, Cambodia, China and the United Nations on the occasion of the 46th national day (September 2).

The message signed by Kaysone Phomvihan, chairman of the Central Committee of the Lao People's Revolutionary Party and president of the Lao People's Democratic Republic, Nouhak Phoumsavan, president of the Supreme People's Assembly, and Khamtai Siphandon, chairman of the Council of Ministers, and addressed to Do Muoi, general secretary of the Communist Party of Vietnam Central Committee, Vo Chi Cong, president of the State Council, Vo Van Kiet, chairman of the Council of Ministers and Le Quang Dao, chairman of the National Assembly, say:

"The coming into being of the Democratic Republic of Vietnam not only ushered in a new era, an era of independence and freedom for the Vietnamese people, but also was an event of paramount significance in accelerating and encouraging the struggle of nations for independence and freedom.

"Promoting that heroic tradition, the fraternal Vietnamese people have overcome numerous difficulties and trials in the struggle for national liberation, having gained the complete victory in 1975. Since then, the Vietnamese people, bringing into full play the spirit of independence and sovereignty, as well as their tradition of industriousness, have obtained achievements in all fields in national construction and defence, particularly the initial important successes in their all-round renovation. Those achievements have affirmed that the renovation line worked out by the Communist Party of Vietnam is correct and conforms to the reality and aspiration of the Vietnamese people .

"We note with satisfaction that the friendship, special solidarity and allround cooperation between the two parties, governments and peoples have always been strengthened and constantly developed, thus constituting a factor to ensure the success of our national construction and defence".

The message from Heng Samrin, president of the State Council of Cambodia, Chea Sim, president of the National Assembly, and Hun Sen, chairman of the Council of Ministers, to President Vo Chi Cong, Chairman Vo Van Kiet and Chairman Le Quang Dao, says:

"Under the clearsighted leadership of the Communist Party of Vietnam headed by Comrade Do Muoi, the heroic people of Vietnam will obtain greater successes in implementing the renovation line for national construction in the period of transition to socialism, worked out by the 7th party congress.

"The party, government and people of Cambodia greatly rejoice at the constant development of the close solidarity, the fraternal friendship and stable cooperation in all fields between the parties, governments and peoples of Cambodia and Vietnam".

In his message to State Council President Vo Chi Cong, Yang Shangkun, president of the People's Republic of China, said:

"China and Vietnam are neighbouring countries sharing mountains and rivers. Our two peoples are bound together by their traditional friendship. We believe that with the progress toward an overall and fair and reasonable political solution to the Cambodia issue, the early normalization of the Sino-Vietnamese relations conforms to the fundamental interests of the Chinese and Vietnamese peoples as well as of peace and stability in the region.

In his message to State Council President Vo Chi Cong, United Nations Secretary General Javier Perez de Cuellar expressed his hope that the strong and consistent of comittment of the member nations to the objectives and principles of the UN charter will early bring peace, justice and happiness to the world people as they have long expected.

Further on Yang Shangkun Message

BK0609075391 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Sep 91

[Text] On the occasion of our country's 2 September national day, President of the People's Republic of China Yang Shangkun sent a greeting message to Chairman of the Council of State Vo Chi Cong. The message says:

China and Vietnam are neighbouring countries sharing mountains and rivers. Our two peoples are bound together by their traditional friendship. We believe that with the progress toward an overall and fair and reasonable political solution to the Cambodia issue, the early normalization of the Sino-Vietnamese relations conforms to the fundamental interests of the Chinese and Vietnamese peoples as well as of peace and stability in the region.

Soviet Union Sends Greetings

BK0609072591 Hanoi VNA in English 0628 GMT 6 Sep 91

[Text] Hanoi VNA Sept 6—State Council President Vo Chi Cong has received a message of greetings dated Sept. 2 from Soviet President Mikhail Gorbachev on the 46th anniversary of the August Revolution and the National Day of Vietnam (Sept. 2).

The message reads:

"We would like to send to you and the entire Vietnamese people our warmest greetings and best wishes.

I beieve that the far-reaching democratic changes in our two countries and in the world have oopened up wide possibilities for the continued development of the friendly, diversified, and mutually-beneficial relations between the two countries, thus contributing to peace and security in the wholy Asian-Pacific region".

New Books Published for National Day

BK0109090191 Hanoi VNA in English 0602 GMT 1 Sep 91

[Text] Hanoi VNA Sept. 1st—A book entitled "Ho Chi Minh—Past, Present and Future" (Volume Two) written by former prime minister Pham Van Dong was newly put out on the occasion of the 46th anniversary of Vietnam's August Revolution (Aug. 19) and National Day (Sept. 2).

A biographical work (Volume 2) about Truong Chinh, the late general secrectary of the Communist Party of Vietnam and the late president of the State Council who died in 1988, was also published on this occasion.

Also coming under this category is an auto-biography by Tran Huu Duc entitled "Stepping Over the Enemy" (Volume One). Tran Huu Duc was a vice-premier and a long-time associate of President Ho.

The fourth historical book is about the "Viet Minh Front" (League for the Independence of Vietnam) founded by President Ho Chi Minh in 1941 to prepare for the general uprising to seize power from the Japanese and French occupational troops in 1945.

Commentary on Development of PRC Relations

OW0609030591 Hanoi Voice of Vietnam in Mandarin 0830 GMT 5 Sep 91

[Station commentary]

[Text] Dear listeners: Lately, relations between Vietnam and China have continued to develop along a positive direction. In his recent statement, Chinese Premier Li Peng said that relations between the two countries will soon be normalized. Please listen to our commentator's commentary on relations between Vietnam and China, and their latest developments.

[Words indistinct] in these fast-changing days, relations between Vietnam and China have been moving quickly in a positive direction. In barely a month, the two nations held two rounds of talks at the level of vice foreign minister—first in Beijing and the second in Bangkok. In their two rounds of talks, Vietnamese Deputy Foreign Minister Nyuyen Dy Nien and Chinese Vice Foreign Minister Xu Dunxin held wide discussions and exchanged views on relations between the two countries, the Cambodian issue, and international issues of mutual concern, making important contributions toward promoting the normalization of relations between Vietnam and China. According to world observers, their talks have also contributed positively to the peaceful settlement of the Cambodian issue.

Lately, the Chinese side has taken some significant actions in its relations with Vietnam. The handing over of 23 Vietnamese detained since 1979 by China to Vietnam serves as a practical example. What attracts people's attention is the attendance of the Chinese Government leaders to celebrations of Vietnam's 46th National Day held in the Vietnamese Embassy in China on 2 September. Speaking on behalf of the Chinese Government, Minister Huang Zhendong even expressed the hope that Sino-Vietnamese relations are normalized as soon as possible. On the eve of Vietnam's 2 September National Day, in reply to questions posed by a reporter of the Hong Kong Television Broadcasting Corporation, Chinese Premier Li Peng also said affirmatively that relations between China and Vietnam will soon be normalized. Premier Li Peng also pointed out that China notes with satisfaction that the process for settling the Cambodian issue has been vigorously promoted by all parties concerned. [words indistinct]

Vietnamese party and government leaders have also repeatedly reaffirmed their determination to restore normal relations with China. Actually, the Vietnamese side has launched many activities toward this purpose.

The determination and hope expressed by leaders of both Vietnam and China, and the parties concerned, on the resumption of normal relations between the two countries also meet the aspirations of the people of the two nations. Hence, the stand for an early restoration of normal relations between Vietnam and China is receiving the positive response and support from the people of both countries—a force in promoting the early resumption of normal relations between Vietnam and China.

U.S. Citizens Walk for Peace in Hanoi

BK0609062791 Hanoi VNA in English 0626 GMT 6 Sep 91

[Text] Hanoi VNA Sept 6—A 33-member group of Americans, including three war veterans, arrved in Ho Chi Minh City Wednesday in its last leg of a current peace walk from north to south Vietnam.

The leader of the group said the walk's objective was for the normalization of relations between the United States and Vietnam and the early lifting of U.S. embargo on the country.

A part of the group visited the Cu Chi underground resistance base on the city outskirts and another part visited Vung Tau sea resort town on the same day. The group left Ho Chi Minh City today for Cambodia.

DPRK Ambassador Holds News Conference

BK0509155791 Hanoi VNA in English 1551 GMT 5 Sep 91

[Text] Hanoi VNA Sept. 5—Ambassador of the Democratic People's Republic of Korea (DPRK) Yi Hong called here today a press conference on the occasion of his country's 43rd national day (Sept. 9).

Speaking at the press conference, Ambassador Yi Hong highlighted the achievements recorded by the Korean people in the process of socialist construction and struggle for peaceful and sovereign reunification of their motherland.

The ambassador thanked the Vietnamese party, government and people for their strong supports for and assistance to the Korean people's revolutionary cause.

Do Muoi Addresses School Teachers, Students

BK0609054591 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 5 Sep 91

[Address of Party General Secretary Do Muoi to teachers and students of Thanh My Tay School, Ho Chi Minh City, on the opening day of the new school year—read by announcer]

[Text] Dear teachers and students: I am happy to visit Thanh My Tay General Middle School of Ho Chi Minh City on the opening day of the new school year. Your achievements last year are very commendable. You have scored outstanding successes in striving to enhance the quality of education and to foster and train many good students. You have organized vocational classes for students. This is a right direction. You have introduced information science—a modern and essential subject matter—into the school. You have strived step by step to keep the contents of our education abreast of the requirements of national development. On this occasion, I welcome the many encouraging achievements scored by the national education sector over the past years. Also on behalf of the party and the state I praise and thank teachers in the entire sector for their efforts to overcome many difficulties to teach well and maintain and develop education in our country.

Although our country is still very poor economically, our education as well as public health have developed. Some 95 percent of our people were formerly illiterate, now 90 or more percent of our people have become literate. Tens of millions of our people have finished middle school, half a million have graduated from college, and more than 6,000 people are now holding degrees higher than the college level. We now have more than 100 colleges and 15,000 general and vocational schools. These achievements are a result of the efforts of teachers and students of the education and training sector, to the keen interest of the entire society and to the endeavour of the party, the administration at all levels, and mass organizations.

Apart from these basic achievements, however, the education and training sector still has some shortcomings, especially the declining quality of education as well as of schools' material facilities, and the poor living conditions of teachers.

Dear teachers and students: Our country's education and training sector is entering the 1991-92 school year when our party has just successfully concluded its seventh national congress which asserts our persistence and resolution to continually advance the renovation process along the socialist path.

The eighth national assembly's ninth session unanimously passed the law on universalizing primary education and the law on child care and education. The seventh party congress documents and the national assembly decisions constitute the new source of very great strength for us to carry on the renovation process.

The seventh party congress asserted that education and training is the primary national policy. This is not a slogan for motivation and incentive but it is actually a strategic thought in the practical interests of the present and the long-term future of the nation, and for the survival and prosperity of the country.

Developed education serves as a firm foundation on which to raise the people's intellectual standard, train geniuses, develop the economy, acquire new technologies, advance step by step toward modernization, extricate our country from backwardness and poverty, build a prosperous, beautiful, powerful, and civilized country, and advance toward socialism.

In the next few decades, we should focus more on fostering the source of intellectual manpower to improve the quality of our country's work force, enabling large numbers of people to receive vocational training so as to decisively contribute to increasing social labor productivity.

We should train the young generations into workers with a sense of mastery, citizenship, patriotism, and love of socialism who are capable professionally, independent, dynamic and creative in productive labor and socioeconomic management; who enjoy good health; possess good ethics and quality; and have a lifestyle relevant to the cultural traditions of the nation and the civilization of modern world.

In the plans for 1992 and the subsequent five years, we should give priority to the development of education and training, and set forth specific criteria, namely for these questions: What are the percentages of children to be mobilized to school? On what scale should each school level should be upgraded? How many schools and classrooms must be built? What additional equipment and teaching aids should be procured? How many teachers should receive advanced training? What should be done to ensure a good livelihood for teachers, especially primary school teachers? In which year will the universalization of primary school be completed? In which year will all illiterate people under 35 years of age become literate? In those localities where primary school has been universalized, effort must be exerted to universalize the level II school. Every locality should set the objectives of training cadres and conducting vocational training for youths and teenagers.

In this important undertaking, with the encouragement and support of all party members, people, echelons, and sectors, the education and training sector must assume the vital role. On the strength of generally reviewing the achievements of the past years, the sector must carry on renovation in the spirit and scope of the seventh party congress. It must build a network of national education which is placed under unified management and is diversified in terms of classification. The network of school facilities countrywide must be rearranged for more effective use.

We should pay attention to the development of education in mountainous regions of ethnic minority people and in hardship areas. We should renovate educational management by building a rational mechanism and a compact and effective machinery, and should systematically study the basic and advanced training of teachers and the policies toward teachers—the core body of the sector.

Foreign Ministry Discusses ODP Program

BK0509151991 Hanoi VNA in English 1441 GMT 5 Sep 91

[Text] Hanoi VNA Sept. 5—In the first seven months of this year, 36,800 Vietnamese went to the West (24,282 to the United States) under the Orderly Departure Programme (ODP), Mrs. Ho The Lan, spokesperson of the Vietnamese Foreign Ministry, said at a regular press briefing here this afternoon.

Mrs. Lan gave the following wrap-up information about the Vietnam-U.S. cooperation in carrying out the three programmes regarding the resettlement of Vietnamese in the United States and other Western countries: Orderly Departure Programme (ODP) the programme on the departure of high-ranking officials of the former Saigon regime (HO) and the programme on the departure of Amerasians and their relatives. On the ODP: the number of migrants has been increasing. In the first seven months of 1991, 36,800 left for the U.S., Canada, Australia, France and Germany (24,282 to the U.S.), bringing the total since the programme began to 302,691 of whom 179,738 went to the United States .

On the HO programme, since the first air flight in January 1990, 12,439 officials of the former U.S.-backed Saigon regime who had been released from re-education camps went to settle in the United States. Of late, Vietnamese migrants to the U.S. under the HO programme have been flown by the Northwest Airlines and Hawaiian Airlines of the U.S. chartered by the International Organization of Migrants (IOM).

Vietnam has handed over to the United States 13 lists comprising 61,457 persons for interviews. The Vietnamese side has completed 20 lists comprising 100,000 persons eligible for exit permits. These lists will be handed over to the U.S. side for interviews.

In order to solve the big backlog, Vietnam has asked the United States to increase the number to more than 15,000 yearly quota it is receiving now.

Programme on Amerasians: The programme began in October 1987. Up to June 1991, 47,352 Amerasians and their relatives had left Vietnam for the United States.

It is expected that the interviews will be completed in late June 1992 and the programme will be basically concluded at the and of 1992. Since June 1991, the U.S. side has increased the number of interviews to two times a month. However, since April 1, 1991, the U.S. side has refused to receive Amerasians siblings more than 21 years old.

This may prolong the implementation of the programme already agreed upon. Vietnam has proposed the United States to resume its old policy and not to cause disappointment to those who have been waiting for two long.

Vo Van Kiet Addresses Minh Hai Party Congress

BK0409065991 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 31 Aug 91

[Text] The Minh Hai provincial party organization held its second round congress from 27-30 August in Ca Mau City with the participation of 350 delegates from basic party organizations of the province. Comrade Vo Van Kiet, member of the Communist Party of Vietnam [CPV] Central Committee Political Bureau and chairman of the Council of Ministers, attended and addressed the congress.

In his address to the congress, chairman Vo Van Kiet appraised the implementation of the Seventh CPV Congress resolutions, and examined the formulation of plans, orientations, and tasks for new party organizations of the province during the 1991-95 period.

During the 1986-90 five-year period, thanks to the renovation undertaking, Minh Hai has made notable progress in implementing the multisectoral economy in accordance with the market mechanism and effectively developed its agro-forestry-fishery production. As a result, the province has produced 900,000 tonnes of rice and more than 400,000 tonnes of marine products while achieving an export value of $140 million.

In the next 1991-95 five-year period, Minh Hai will strive to plant 300,000 hectares of rice, produce 1.2 million tonnes of grain, and achieve an export value of $300 million, mostly in marine products.

The provincial party organization congress asserted its determination to continue to advance along the socialist path charted by Uncle Ho to ensure socioeconomic stabilization and firmly maintain national security and defense.

Comrade Vo Van Kiet highly appraised results attained by the congress and pointed to three major tasks the province should fulfill which include efforts to exploit the provincial agro-forestry-fishery natural resources, strengthen local processing industry, and improve the people's daily lives in close association with the task of party building to satisfactorily ensure the close relationship between the party and people.

Attends Finance Ministry Conference

BK0509095791 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 4 Sep 91

[Text] On the morning of 4 September, the Finance Ministry hosted a conference of representatives of the southern provinces from Quang Tri southward to assess the implementation of the budget over the past eight months, discuss measures to obligate revenues and expenditures for the remaining four months of 1991, debate new tax laws, provide guidance for compiling the 1992 budget, and discuss some urgent measures to manage the property and fixed assets of state-run enterprises, state agencies, and mass organizations.

Attending the conference were comrades Vo Van Kiet, chairman of the Council of Ministers; Phan Van Khai, vice-chairman of the Council of Ministers' Standing Committee; and representatives of the sectors concerned of southern provinces and cities. According to a Finance Ministry report, at the end of August, 63 percent of the total plan for budgetary revenues had been fulfilled, an increase of 37 percent compared to the same period last year. This includes 96 percent of the domestic revenues. Revenues from state-run enterprises accounted for 49 percent of the total national revenues.

In general, shortfalls from various sources are still large, especially in the nonstate trade and service sectors. The situation of smuggled imports and exports and tax evasion is still a matter of concern. The amount of uncollected taxes is up to dong 300 billion, considerably affecting production and state budget revenues.

From now until the end of the year, the taxation sector will apply the following main measures to dramatically improve the managerial control of industrial factories and private enterprises, increase state revenues, enforce scrupulous compliance with the promulgated tax laws and regulations, organize tax collection well, oppose shortfalls and the accumulation of tax debts, centralize and unify the managerial and operational control of central and local governments' budgets, discontinue the allocation of funds to those projects not directly engaged in production, and study and promptly modify some mechanisms and policies directly affecting budgetary revenues and expenditures.

Addressing the conference, Council of Ministers Chairman Vo Van Kiet asserted the efforts of the finance sector and localities in the recent past. He devoted a great deal of time to analyzing and pointing out some pressing tasks from now until the end of the year which the administrations from village to central levels must carry out to focus on fighting shortfalls in tax collection, and examine shortfalls in every sector and trade in order to take appropriate and specific remedial action. The administration at all levels should consider this an urgent task.

As for the fact that smuggling has tended to increase along the southern border, the administration at all levels should resolutely direct all forces to deal according to the law with violating agencies and individuals. Regarding the 17 units whose high per capita income ranging from dong 400,000-1,000,000 has been initially confirmed by the Finance Ministry but still owe 168 billion dong in taxes to the state, Comrade Vo Van Kiet requested that immediate action be taken to collect the tax retroactively. Sectors involved must immediately report to the ministry on the number of units in a similar situation countrywide. Comrade Vo Van Kiet stressed that pending modification of irrationalities in promulgated tax laws, local authorities will not make amendments on their own initiative but must enforce scrupulous compliance with the promulgated tax law.

Comrade Vo Van Kiet dispelled as groundless the rumor in some localities about the change of bank notes, and asked functional sectors to quickly identify the origin of this rumor and severely punish those who run false instigating rumors that adversely affect the socioeconomic situation and life of the entire country.

Ministry Holds Conference on Political Education

BK0409135991 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 1 Sep 91

[Text] On 26 August the Ministry of Education and Vocational Training organized a conference to study the standpoints of the Seventh Party Congress resolution to apply them to the contents of the political and ideological education programs for middle vocational school students during the 1991-92 school year.

Attending the conference were 350 comrade delegates in charge of management and political education in more than 200 middle vocational schools in the north.

Also attending the conference were representatives of the Nguyen Ai Quoc Institute and the Science and Education Commission and the Culture and Ideology Commission of the Party Central Committee.

The conference devoted time to studying such key issues as the choice of the socialist path, Marxism-Leninism and Ho Chi Minh thought, economic building and development, the political system and socialist democracy during the period of transition to socialism in our country, and the party's leadership role in the current renovation undertaking in our nation.

The congress also studied the various theoretical and practical issues raised by the Seventh Party Congress to apply them to the teaching of theoretical and political subjects so as to gradually renovate the contents and methods used in the teaching of the aforementioned subjects.

Party Department Holds Meeting on Organization

BK0509102191 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 4 Sep 91

[Text] After meeting in Haiphong from 29 to 31 August, the party Central Committee Organization Department held a meeting in Ho Chi Minh City with heads and deputy heads of the organization sections of provinces, cities, and special zones for 25 localities from Quang Tri Province southward. Representatives of 14 state-run economic units and representatives of central sectors and branches also attended the meeting, which dealt with regulations for party organizations in state-run enterprises.

More than 20 opinions expressed at the meeting confirmed the urgency of the new party regulations in state-run enterprises to ensure the satisfactory performance of party organizations in the enterprises. These new regulations are necessary if these enterprises are to contribute to the leading role of the state-run economic units in the national economy as defined by the seventh national party congress resolutions.

Deputy Minister Attends Nonaligned Meeting

BK0409131091 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 2 Sep 91

[Text] The Nonaligned Movement foreign ministerial conference opened in Ghana yesterday, 2 September. The Vietnamese delegation was led by Deputy Foreign Minister Tran Quang Co. The conference agenda calls for the election of a new chairman for the movement.

Quang Tri Province Has Second-Round Congress

BK3108063791 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 26 Aug 91

[Text] The party organization of Quang Tri Province held the 11th second-round party congress from 24 to 26 August with the participation of 209 delegates representing more than 16,000 party members in the province.

The congress focused on analyzing the achievements and shortcomings over the past five years. In particular, it asserted the initial significant results over the past two years since the province was redivided.

The volume of grain production over the past five years increased by 50,000 tonnes over the preceding five-year period. At the same time, the province has built a rather concentrated area of raw materials and agricultural products for export—namely, 3,000 or more ha of rubber plants, 600 ha of pepper, and nearly 20,000 ha of forests.

Over the past two years alone, some 4,000 ha of forests and one million trees have been planted. Along with exploiting the strengths of hilly regions, the province has also improved its sea economy. Peasants in the province have been motivated to invest in buying many means of production. In the past two years, 10,000 tonnes of maritime products have been caught, and a significant amount of trade has been achieved.

Yet the congress asserted that the achievements of Quang Tri Province are still very low. It lacks specific policies and measures to exploit the strengths of hilly and mountainous regions. It still fumbles in solving some problems emerging from the implementation of contract No. 10. Budgetary revenues of the province have not met expenses. Investment in some projects has not brought any results. The population growth rate remains high at three percent or more.

Before holding the congress, the party committee of Quang Tri Province devoted sufficient time to organizing sessions for the delegates to the congress to study and understand thoroughly the seventh party congress resolution and, on this basis, to focus on finding out measures to implement the five specific socioeconomic objectives and to build the party in the next five years. Emphasis has been placed on the exploitation of economic potentials of the sea and hilly regions to fulfill the 1995 norms for a per capita grain production volume of 300 kg of grain and 6,000 tonnes of maritime products, including exports worth U.S. $2 million to bring the provincial export quota to $12 million per year.

The congress also considered the guidelines for investment in various major projects, especially capital construction ones, aiming to create the material and technical bases needed to provide timely support to production and to stabilize the situation in cities and towns in the process of redividing the provincial territory.

The congress of Quang Tri provincial party organization manifested the spirit of solidarity and singlemindedness in electing 37 members of the provincial party committee.

Military Region Holds Party Organization Meeting

BK0409140191 Hanoi Vietnam Television Network in Vietnamese 1300 GMT 1 Sep 91

[Text] Recently the Third Military Region convened the third second-round party organization congress after having made thorough and urgent preparations for it. Attending the congress were more than 200 delegates belonging to different grass-roots party organizations in the army. General Nguyen Quyet attended and directed the congress.

The party organization congress this time made a thorough assessment of the strong points and shortcomings the party organization and military region party committee have displayed in fulfilling the tasks entrusted by higher echelons relating to guidance over work implementation in the past five years, party- building work, and discipiine and workstyle.

The congress contributed opinions to the various reports compiled by the military region party committee, particularly those dealing with the orientations and tasks for the 1991-95 period, so as to translate the spirit of the Seventh Party Congress resolution into reality.

The congress also elected fifteen comrades of high quality and competence to the executive committee of the new party organization.

Committee Begins Building TV Relay Station

BK0409140391 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 1 Sep 91

[Text] Guided by the provincial party committee and people's committee and assisted by the various sectors, the Song Be radio and television service has begun the construction of a television relay station in the Ba Ra mountain area, Phuoc Long District.

The project is of important significance for ethnic minority compatriots in this former resistance war zone in Eastern Nam Bo. Once the project is completed, people in Dong Phu, Phuoc Long, Bu Dang, Binh Long, and Loc Ninh Districts will have access to all programs broadcast by the national television network.

The total investment capital for the project is 1.4 billion dong. If there is enough capital, the project will be completed in late November 1991, before the second-round party organization congress is convened by the province.

Bumper Cotton Crop Expected at Harvest

BK0409073591 Hanoi VNA in English 1441 GMT 3 Sep 91

[Text] Hanoi VNA Sept. 3—Six times the size of last year's planting, cotton-growing areas this year have been expanded to nearly 15,000 hectares. The current crop, which will be completely planted very soon, is expected to yield about 12,000 tonnes.

Almost all the newly-planted acreage is concentrated in the eastern part of southern Vietnam, the Central Highlands and the central coastal provinces, where the Union of Cotton, Cloth and Fibre of Vietnam carries out an incentive policy for this industrial crop. The peasants are quaranteed that the lowest price for one kilogramme of cotton will be 3,500 dong and their cotton-growing areas are tended by technicians sent by the Union of Cotton, Cloth and Fibre.

Australia

Hawke Fending Off Renewed Threats to Leadership

BK0409092491 Hong Kong AFP in English 0626 GMT 4 Sep 91

[By Michael Collins]

[Text] Sydney, Sept 4 (AFP)—Bob Hawke's survival as Australian prime minister was under renewed pressure Wednesday after government backflips sparked criticism that he was panicking over threats to his leadership.

The previous day to avoid a cabinet revolt, Deputy Prime Minister Brian Howe backed down on key elements in last month's budget relating to national health care funding.

The same day the Reserve (central) Bank cut interest rates by one percentage point to 9.5 percent despite recent posturing by Treasurer John Kerin that further easings of monetary policy would be "too much, too late."

Analysts said the Reserve Bank's cut was motivated by Hawke wanting a quick economic recovery to boost his standing amid speculation that former treasurer Paul Keating was poised for another tilt at the leadership of the Australian Labor Party.

Reserve Bank Governor Bernie Fraser was forced to dismiss such comments as "tiresome," while Hawke backers denied political motivation for the cut.

Keating chose last weekend to give his first newspaper interview since he lost a June party room ballot for the top political job, warning that a political party cannot keep one leader until "he's as old as Methuselah."

Keating was capitalising on an inept sell of the August 20 budget by Hawke and Kerin which culminated in the pair being ushered into a joint interview on a top-rating chat show to the musical theme of Laurel and Hardy movies.

Hawke, prime minister since Labor took power in 1983, last week admitted "the government is looking a bit tatty at the edges."

At the end of a stormy caucus meeting Tuesday, Howe, who was installed as deputy leader after his left-wing faction supported Hawke in June, agreed to review an unpopular cut to medicare rebates.

One senator at the meeting was reported to have described the medicare change as the worst government decision in eight years amid cries of "Hear! Hear!"

Geoff Kitney, political analyst for the Australian Financial Review, wrote that speculation that government decisions were being made to support Hawke was prompting the prime minister's allies to consider resolving the leadership issue.

"This reaction has reinforced the view of senior ministers of the government that the leadership issue is now profoundly affecting the government's credibility and has to be resolved as soon as possible," he said.

The editorial in the DAILY TELEGRAPH MIRROR claimed Hawke was losing his way.

"The prime minister and the treasurer have clearly hit the panic button," it said. "Every move they make is now shamelessly linked to the threat of a leadership challenge from the former treasurer."

Pilita Clark, political analyst in the Sydney MORNING HERALD, said of the medicare decision: "One thing is for sure. The caucus victory over cabinet can only help Keating."

The only good news for Hawke was a poll out Wednesday showing his approval rating had increased four percentage points to 45 percent compared with opposition leader John Hewson's 41 percent, a drop of 3 percentage points.

The poll was taken after the budget and during the crisis in the Soviet Union. The pollsters, Morgan Gallup Poll, said the result reflected the usual pattern of the public supporting its leader during an international crisis.

Drought Threatens New South Wales Wheat Crops

BK0209075691 Melbourne Radio Australia in English 0500 GMT 2 Sep 91

[Excerpts] A survey of the world wheat industry by one of Australia's leading banks has predicted that prices for farmers will fall over the next year. Ian King reports that according to the Westpac Bank world wheat production is likely to drop by 7 percent. [passage omitted]

At the same time drought conditions in the eastern Australian state of New South Wales are creating grave fears for the state's multimillion dollar wheat crop. John McFarlane reports that almost all the wheat crop in the north of the state is threatened by the drought.

[Begin McFarlane recording] Industry leaders say the potential yield of the crops that has already been affected is getting worse by the day. It is now weeks since there has been rain in the region, and the dry could not have come at a worst time for growers who have been battling falling prices and other seasonal condition problems.

Some parts of the northern wheat belt—the largest single wheat producing area in Australia—have already been declared drought stricken, and the minister for agriculture, Ian Armstrong, says conditions are becoming extreme.

About 60 percent of the state is now declared drought stricken. [end recording]

USSR Republics Urged To Sign Nuclear Pact

BK0409070491 Melbourne Radio Australia in English 0500 GMT 4 Sep 91

[Text] Australia says the republics in the Soviet Union which achieved genuine independence should sign the nuclear nonproliferation treaty. The foreign minister, Senator Gareth Evans, said that questions are being raised over the command and control of nuclear weapons in the Soviet Union.

He told the Senate that there were about 27,000 nuclear warheads in the Soviet Union. Senator Evans said three quarters of the strategic weapons were held in the Russian Republic but tactical nuclear warheads were deployed in most of the republics.

[Begin Evans recording] The emergence of a new structure in the Soviet Union of uncertain dimensions at this stage, and with uncertain authorities so far as military matters are concerned, does of course raise questions as to where the command and control for these warheads will be located. Certainly it is our understanding at the moment that the central Soviet Union military authorities are presently maintaining very tight control of all the country's nuclear weapons. Moreover, it is the case that most republics, including the Ukraine and Kazakhstan, have already publicly declared that they have no intention of becoming nuclear weapons states. [end recording]

Military Aid to Fiji Under Discussion

BK0509165491 Hong Kong AFP in English 1643 GMT 5 Sep 91

[Text] Nadi, Fiji, Sept 5 (AFP)—Australia's resumption of defence cooperation with Fiji will depend on its next government's treatment of the Indian community, Australian Trade and Overseas Development Minister Neal Blewett said here Thursday.

Australian military aid to Fiji was suspended following coups by then Colonel Sitiveni Rabuka in 1987. Rabuka is now co-deputy prime minister and home minister.

Blewett told a press conference the new government's response to the Indian community's needs for educational and employment opportunities and problems of land tenure would be among the criteria used to determine whether military aid would be resumed.

"After the elections our judgement would be made in terms of effective evolutions of (the) democratic process, considering such things as response of (the Fiji) Government to the concerns of the Indian community as regards issues like land tenure and opportunities for education and employment," Blewett said after a meeting of Australian-Fiji business groups.

"That is, we would look at the situation, post the election, in the light of the evolution in democratic practices which we hope to see."

In the racially-weighted Constitution promulgated in July last year, Fijians are allocated 37 seats while Indians are left with 27 only seats—relegating them to a minority status, although figures show they are slightly more numerous than ethnic Fijians.

Blewett said military aid would definitely not be resumed before next year's scheduled general election, adding that Canberra saw the holding of the election as a step forward in the democratic process.

The political relationship between the two countries "is closely improving," and he hoped his visit would help put it "back on a constructive path," Blewett said.

"But differences remained and must be acknowledged for a frank dialogue to take place," he added, citing the Fijian Constitution.

Blewett said that if Fiji could resolve its political problems, it could have the most dynamic economy in the South Pacific.

Trade Minister Begins Tour of South Pacific

BK0109063291 Melbourne Radio Australia in English 0500 GMT 1 Sep 91

[Text] Australia's Trade and Overseas Development Minister Neal Blewett has begun a four-nation nine-day tour of the South Pacific. Dr. Blewett will visit Solomon Island, Fiji, Tonga, and Kiribati. It is the minister's first tour of the region since adding overseas development to his portfolio in February.

In Fiji, his discussions wilh government ministers will focus on bilateral aid, trade, and political issues. In the other three countries emphasis will be on aid and development. Our South Pacific correspondent Elanor Reddin says Dr. Blewett's visit to Fiji has special significance becuase he is the most senior Australian official to visit the country since relations soured after the 1987 coups.

Bougainville Issue Causes 'Regional Concern'

BK0309061491 Melbourne Radio Australia in English 0500 GMT 3 Sep 91

[Text] Australia's Trade and Overseas Development Minister Dr. Neal Blewett says it is in the interest of the whole region that the Bougainville issue be resolved as soon as possible. At the end of two days of talks in Honiara, Dr. Blewett told a news conference that Solomon Island's authorities had expressed concern to him at the difficulties they were experiencing as a result of the Bougainville crisis because of its geographical proximity and blood ties with Bougainvillians.

He said the Bougainville issue had become a regional concern and it was in the interests of the whole region that it will resolve very soon.

Dr. Blewett later left Honiara for Fiji, the second leg of a four-nation tour, which will also take him to Tonga and

Kiribati. In Fiji, Dr. Blewett will meet government ministers for talks on aid, trade, and political issues.

Defense Aid for PNG To Boost Security

BK0209075491 Melbourne Radio Australia in English 0500 GMT 2 Sep 91

[Text] Australia and Papua New Guinea have agreed that more of Australia's existing defense aid will go to internal security maintenance in Papua New Guinea. A statement agreed by the two countries' prime ministers reflects continuing concern in Port Moresby about internal security.

Papua New Guinea's prime minister, Rabbie Namaliu, arrived in Canberra on an official visit this morning with the question of Australian defense aid a key issue. A meeting with Prime Minister Bob Hawke sealed the statement which (?makes note of) internal security in Papua New Guinea as the top priority. This means that more of the $50 million [currency not specified] in Australian defense aid that already goes to Papua New Guinea will be spent on PNG defense and police personnel to deal with internal unrest—a shift away from spending on items aimed at defending Papua New Guinea from external threats.

Fiji

Chinese Diplomat Granted Temporary Residence

BK0209142891 Hong Kong AFP in English 1157 GMT 2 Sep 91

[Text] Suva, Sept 2 (AFP)—Fiji's interim government has granted a temporary 12-month residency permit to a senior Chinese diplomat, Wu Xiaochun, who has been attempting to defect since last week, officials said here Monday.

Wu was first secretary of the Chinese Embassy in Suva until August 23 when he was reported missing.

The residency status follows an application to Prime Minister Ratu Sir Kamisese Mara in which Wu indicated that his ultimate aim was to obtain residency in another country.

The foreign affairs permanent secretary, Robin Yarrow, told the FIJI TIMES newspaper that the temporary residence was granted after several unsuccessful attempts to obtain residency in a third country.

Wu was reportedly seeking political asylum in Taiwan, New Zealand, the United States or South Korea. He later wrote to the Chinese Embassy in Suva, resigning from his post.

He was found by police last Wednesday at Nausori, about 13 kms (eight miles) from Suva, and is currently under police protection.

Yarrow said his ministry was helping Wu find permanent residency in a third country through the United Nations High Commissioner for Refugees, based in Canberra.

He said the ministry had arranged a meeting between the Chinese ambassador in Suva, Hua Junduo, at which Wu told the envoy that he had left the embassy for personal reasons and did not want to return to China.

The Fiji Government has withdrawn Wu's diplomatic privileges and immunities since his resignation from his post.

New Zealand

Government Gives Aid to Cambodia

BK0609074691 Hong Kong AFP in English 0413 GMT 5 Sep 91

[Text] Wellington, Sept 6 (AFP)—New Zealand will give 50,000 New Zealand dollars (28,985 US dollars) to Cambodia for emergency relief, Foreign Minister Don McKinnon said Friday.

In a statement, he said typhoon damage late last month had caused the worst flooding in Cambodia for 37 years.

"It is estimated that more than 650,000 people have been affected and at least 135,000 hectares (123,500 acres) o crops destroyed," he said. "The Mekong River is still rising and is expected to burst its banks with potentially catastrophic results."

Foreign Minister Criticizes Isolationists

BK0309060491 Hong Kong AFP in English 0559 GMT 3 Sep 91

[Text] Wellington, Sept 3 (AFP)—New Zealanders have a warped view of the world and have retreated into a South Pacific cocoon of isolationism, Foreign Minister Don McKinnon said Tuesday.

"We're now so introspective as a nation that we miss the world going by, just beyond our shores," he told a Rotary Club meeting.

McKinnon has repeatedly criticised New Zealand's anti-nuclear stance, adopted by the previous Labour Government but continued by his government.

The policy, adopted in 1986, has caused New Zealand to be excluded from alliances with major Western nations.

He said New Zealanders had become selfish in their isolationism.

"The rest of the world sees us as the isolationist non-participants," he said.

He attacked the media here, and claimed it had "reached the state of absurdity" where the domestic news agency, the NEW ZEALAND PRESS ASSOCIATION, had closed its Asian bureau and was planning to close its Washington office in order to open a branch in Auckland.

At a time of massive global change a media presence was needed so that changes could be witnessed at first hand, through New Zealand eyes.

He said New Zealand's media promoted the "completely erroneous argument" that collective security equated to being a pro-nuclear war horse. "And we have left our Western colleagues with the duplicitous notion that in New Zealand anti-nuclearism and anti-Americanism are seen as synonymous."

But McKinnon said he was not advocating change or repeal to New Zealand's anti-nuclear laws. He would, instead, encourage informed discussion.

"In my view, we must reorient ourselves, reestablish the tradition of being a team player (and) accept again the principle of collective security as a fundamental principle," McKinnon said.

Foreign Minister Praises Vanuatu's New Premier

BK0609101491 Hong Kong AFP in English 1011 GMT 6 Sep 91

[Text] Wellington, Sept 6 (AFP)—New Zealand Foreign Minister Don McKinnon on Friday described Vanuatu's New Prime Minister, Donald Kalpokas, as a "very capable" leader.

McKinnon said he had met Kalpokas, adding, "He is very capable and I am confident New Zealand will be able to work effectively with him."

He made his remarks during a statement on the defeat in a confidence motion of independent Vanuatu's founding Prime Minister Walter Lini.

The minister said he was gratified constitutional processes had been upheld in Vanuatu and added that Lini had left behind an impressive record as a South Pacific statesman.

"He has always upheld Pacific interests and contributed positively to regional endeavours," McKinnon said.

'Stability,' 'Reform' Help Debt Rating

BK0509061491 Hong Kong AFP in English 0441 GMT 5 Sep 91

[Text] Wellington, Sept 5 (AFP)—Moody's, a New York-based credit rating agency, announced Thursday it was granting AAA rating for some New Zealand debt because of the country's political stability and economic reform.

The rating applies to previously unrated medium-term debt issued overseas but repayable in New Zealand dollars under a note programme organised by the treasury's debt management office, the agency said in a statement.

The new rating is unrelated to the lower AA3 rating applied by Moody's to the bulk of the government's overseas borrowing in foreign currencies.

Moody's said the AAA was based on New Zealand's political stability and its implementation of economic reform leading to lower inflation and higher productivity.

"The New Zealand economy has undergone a profound re-orientation in economic policy in the last few years," it said. "This shift has focused on reform of the public sector, and on deregulating and opening up the economy."

Westpac Banking Corp. Economist Chris Moore said the rating simply confirmed what was widely expected.

Generally, governments should be low credit risks when borrowing in their own national currency, he said.

"It'd be pretty rough if you couldn't repay in your own currency," Moore said.

ANZ Bank Economist David [last name indistinct] said the rating was of little significance for the economy although it signalled that the treasury now had another option when raising new loans to repay maturing government debt.

Shifting more of its borrowing into New Zealand dollars was advantageous as the level of interest rates in this country eased, he said.

Debt Management office manager Pat Duignan said little such borrowing had been undertaken so far.

Membership in Ruling Party Collapses

BK0509132191 Hong Kong AFP in English 1111 GMT 5 Sep 91

[Text] Wellington, Sept 5 (AFP)—More than two thirds of the members of New Zealand's ruling National Party have quit this year, former party member of Parliament Gilbert Myles claimed Thursday. He and another government MP, Hamish McIntyre, quit the party last month in a disagreement over economic policy.

Myles said the party's biggest division, Auckland, had seen its membership fall from 37,000 in December 1990 to 11,500 at the beginning of this month.

Auckland divisional chairman John Slater declined to say whether the figures were accurate.

Myles gave membership figures for every constituency which showed significant losses in each.

In the Waikato Division membership had fallen from 25,500 in December 1990 to 9,000 now, and in the Canterbury Westland Division from 12,000 to 7,000.

Wellington Division's membership had fallen from 31,100 in December to 11,450 at the end of July, he said, but division director David Lough said this was "completely wrong".

Myles' figures came out a day after two public opinion polls showed a huge drop in public support, both for national and for the leadership of Prime Minister Jim Bolger.

Polls on Public Support for Government

BK0409115091 Hong Kong AFP in English
1108 GMT 4 Sep 91

[By Michael Field]

[Text] Wellington, Sept 4 (AFP)—Support for New Zealand's Government, which is showing signs of a cabinet split, has fallen sharply in public opinion polls released here Wednesday.

Less than one year after winning the general election, Prime Minister Jim Bolger's standing in a TV3-Gallup Poll has dived from 18 percent in June to seven percent last week, while opposition leader Mike Moore's following has fallen from 26 to 22 percent.

The poll revealed that the ruling National Party's support has fallen from 33 to 20 percent over the same period.

In the June poll, 65 percent of people who voted for the National Party in the elections said they would do so again, but the latest figure has dropped to 40 percent.

In a separate poll by Television New Zealand-Heylen, which was also released Wednesday, support for Bolger dropped from 17 percent in June to 16 percent in July, then further to 15 percent on August 3 and to 12 percent on August 31.

The Heylen poll found that the National Party's following had fallen from 34 to 27 percent, while support for the opposition Labour Party had risen from 43 to 47 percent between the beginning and end of August.

A total of 39 percent of voters said they did not support any political party or did not know who they supported, up from 25 percent in April.

Bolger refused to comment on the poll results, but earlier this week he said the government would continue to take the "tough decisions."

Since the last poll results were released, Finance Minister Ruth Richardson has presented a tough, deficit-cutting budget which was greeted by a storm of criticism.

Meanwhile, according to several media sources, Richardson led a failed attempt Monday to force Minister for Maori Affairs Winston Peters—whose rating in the TV3-Gallup Poll has risen from eight to 12 percent—out of the cabinet.

In addition, Bolger had to intervene Wednesday to halt the activities of National Party backbench MP Ross Meurant, who had been involved in international arms trading and recruiting military personal for African states and Iran.

Bolger said Meurant, who has agreed to stop his military recruiting activities, told him he was "in no way going to benefit financially" from assisting in the sale of surplus small arms from the Defence Department to a British buyer.

"I said it would be inconsistent with his role as a member of Parliament and he accepted that and will not be proceeding," Bolger said after a meeting with Meurant.

Potentially the most damaging government row is however brewing between Commerce Minister Philip Burdon and Richardson over planned tariff reductions.

Burdon is calling for the rate of reductions to be slowed, in the face unemployment of around 10 percent of the workforce, while Richardson insists that tariffs on some manufactured goods must be cut because they amount to a tax on exporters.

A spokeswoman for Richardson played down the row Wednesday, denying there was any "massive conflict" and saying that "it is not a case of winning or losing, but finding a position that everyone can live with."

Regional Development Minister Roger Maxwell said in a statement Wednesday that "in this, important debate common sense should prevail over ideology."

"Rapid reduction in removing tariff protection will do more harm than good and damage the government's credibility," he said.

MP John Robertson, the co-author of a government committee report on tariffs in certain industries, said Wednesday he believed most politicians favoured a more "reasonable approach" to the timing of the reductions.

In reality, the dispute is less about tariffs than whether to continue the hardline monetarist policies introduced by the former labour finance minister Roger Douglas.

Papua New Guinea

Prime Minister Speaks on Economic Potential

BK0309140191 Hong Kong AFP in English
1005 GMT 3 Sep 91

[Text] Canberra, Sept 3 (AFP)—Papua New Guinea has learnt from the painful experience of Bougainville and is confident the tragedy on the secessionist island would not be repeated, Prime Minister Rabbie Namaliu said here Tuesday.

Namaliu painted a glowing picture of Papua New Guinea's resource- based future to the National Press

Club and said the challenge was to ensure that ordinary people benefited from the coming boom.

He said the lingering war on Bougainville, which shut the giant copper mine there, had not harmed confidence to invest elsewhere.

"Of coure Bougainville created investor confidence problems, but they have been overcome, and that is why we are today entering a phase of unprecedented mineral and petroleum development," he said.

Since the Bougainville mine closed in 1989, Papua New Guinea has approved two "billion plus" projects and at least six smaller ones are close to the feasibility or approval stage.

There has been a shift in priorities and spending from the bureaucracy to education, health and law and order, he said.

"Our spending programs will be directed towards areas which create growth and give all our people a higher standard of living," he said.

Namaliu said Papua New Guinea had serious crime problems and measures such as curfews and anti-crime drives provided only short-term relief.

Namaliu said lasting solutions to crime needed a better trained police force, greater cooperation with the military and restored community confidence in the law enforcement agencies.

This was spelt out in a statement on security cooperation Namaliu and Australian Prime Minister Bob Hawke signed Monday. But Namaliu made it clear in reply to a question that integration of the police and defence forces, which have traditionally been rivals, would be limited.

This was because the government was aware of the potential threat to civilian authority if the country's two disciplined forces were combined, he said.

Vanuatu

Prime Minister Voted Out of Office by Parliament

*BK0609053491 Hong Kong AFP in English
0527 GMT 6 Sep 91*

[Text] Port Vila, Sept 6 (AFP)—The 11-year rule of Vanuatu's Prime Minister Walter Lini ended Friday as he was voted out of office by his parliamentary colleagues.

A majority of 24 to 21 supported a vote of no confidence, judging him guilty of having exceeded his constitutional powers and neglecting his duties.

The new president of the ruling Vanua'aku Party Donald Kalpokas accepted immediate nomination to become the country's second prime minister and is certain to be elected later in the day.

Blaring car horns and cheeering by thousands in the streets followed the announcement of Lini's dismissal which was broadcast live on Radio Vanuatu.

Threat Halts Parliamentary Sitting

*BK0609012091 Hong Kong AFP in English
2351 GMT 5 Sep 91*

[Text] Port Vila, Sept 6 (AFP)—An extraordinary sitting of Vanuatu's parliament was suspended Friday morning because of a threat reported by Prime Minister Walter Lini to the parliamentary speaker.

The sitting was suspended half an hour after it started at 8.30 A.M. (2330 GMT) after speaker Vincent Boulekone told the 44 other MPs present he had a duty to make sure their lives were protected.

Speaking in Vanuatu's official Bislama language he said he had received certain information from the prime minister as a result of which he was suspending the sitting until 2 p.m. (0500 GMT).

The nature of the threat was not revealed, but after the chamber was cleared, a truckload of about 50 troops was seen arriving as extra security.

The troops stood back out of sight and did not join scores of police already ringing the building.

A senior police officer said: "We have thought for days that something was going to happen. We don't know what, but it's better to be cautious."

Foreign tourists mingled with hundreds of locals who had gathered across the road from the parliament building for the special sitting, called to consider a motion of no confidence in Lini.

He had earlier announced on radio that he accepted Friday's no-confidence vote against him "and was ready to step down."

However, sources in the ruling Vanua'aku Party [VP] said they doubted he would step down as promised.

It appeared for a time that he and the 20 VP members who have been supporting him were going to boycott the sitting as they had done last Tuesday.

However, they arrived a few minutes late led by Lini, smartly dressed in a dark grey suit and white shirt.

People queuing outside parliament before 8.30 were entertained by what appeared a slapstick routine involving an aide to the prime minister.

The man arrived with his face covered by a khaki balaclava to distibute notices telling VP MPs and members they should not enter the building.

But people in the crowd shouted to him: "Shemra Rarua, we know it's you. We can see you."